

# HENRY GEORGE SCHOOL MAGAZINE

SEP 1957

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**HENRY GEORGE SCHOOL OF SOCIAL SCIENCE**

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(Edited by a panel of Tutors)

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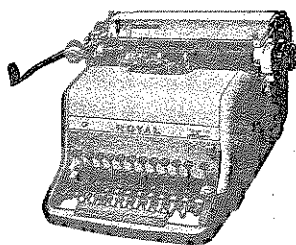
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Volume 5, Number 9

September, 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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The idea that Trade Unions cause inflation by their continual demands for higher wages is a fallacious one. When the currency is being debased by direct Government policy, there is bound to be a demand for higher wages, whether or not the workers are organised. Professor Ludwig von Mises, the economist, has, however, another theory which lays the blame for inflation at the door of the Unions (in the U.S.A. anyway). He asserts, (National Review, June 1957) that the unions, by restricting entry of labour and by demanding a higher than economic wage, cause unemployment. The Government, aware of the economic and political consequences of unemployment, resorts to the "full employment" policy of inflating the currency.

Von Mises says: "Lasting mass unemployment is always institutional. It is the inevitable effect of the enforcement of wage rates that are higher than the potential market rates at which all job-seekers could find employment. It does not matter whether these minimum wage rates were directly decreed by the government or indirectly induced by the fact that the government is not willing to protect the enterprises and the strike-breakers against the violence of the unions."

That governments have adopted Keynes's theory of "full employment" as an answer to unemployment is clear - what is not clear is that the unions are responsible for unemployment. There is truth in the statement that uneconomic (higher than market) rates for jobs tend to produce unemployment in a particular industry, but widespread unemployment

and industrial depression has deeper and more fundamental causes.

In the article which follows, Keith Baynes shows the relationship between employment, inflation and land monopoly.

UNEMPLOYMENT KEPT AT BAY. Since the end of the second world war, two striking phenomena have dominated the field of economics - one, the ceaseless inflation of our currency; the other, the overall absence of unemployment. Many people detect an obvious connection between the two, though few get beyond the "too-much-money-chasing-too-few-goods" or the "more-jobs-than-men" stage. Most of those who think at all on economic matters are fairly divided over this eternal "chicken-and-egg" argument of which comes first.

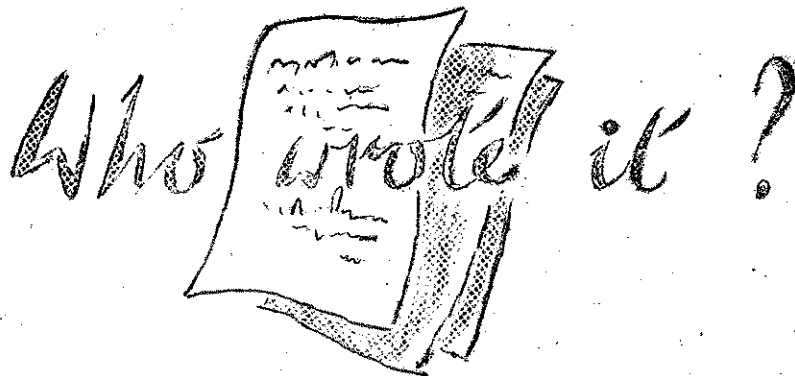
Wherever, as in Britain, the system of land tenure enables one man to demand a price before he will allow another access to the resources of the earth, there is a latent tendency towards unemployment. Periodically, when the price demanded jumps too far ahead of productivity or, to put it another way, when speculative rents become too great a burden for industry and commerce to support, this latent unemployment bursts forth, and slump conditions develop. Since the War there has been little unemployment and no slump. Why? The reason is not difficult to discover.

Rents are normally fixed on a fairly long-term basis. This is more than just convenience - to the businessman it is a necessity for he must be free to plan for a number of years ahead and to know with certainty that a main overhead charge is fixed. In prosperous times rents are fixed not at the current economic level but at some higher figure. This speculative element in rents arises from the land owner's very natural desire to participate in the anticipated future prosperity. The businessman accepts the risk that over-high rent entails: business has been increasing, why should it not continue to increase?

But progress is not all smooth, and a pause which, but for the excessive fixed rent, would occasion no harm, may spell ruin for some businessmen. This effect, heightened by the sensitivity caused by high standing charges, spreads rapidly.

Let us forget prosperity and ever-increasing wealth. What happens during an inflationary period? In money terms prices and profits rise year by year. But rents remain fixed. Thus without any real boom or greater real wealth, inflation can reduce the excessive overhead to reasonable proportions. And, should a slump threaten, a touch more inflation can avert the crisis.

If, through the medium of land value taxation, the land monopoly were broken, and men were able to enjoy true economic freedom, with rents no longer forced up by speculation to uneconomic heights, latent unemployment would be banished, and the fear of slumps would be but a bad dream.



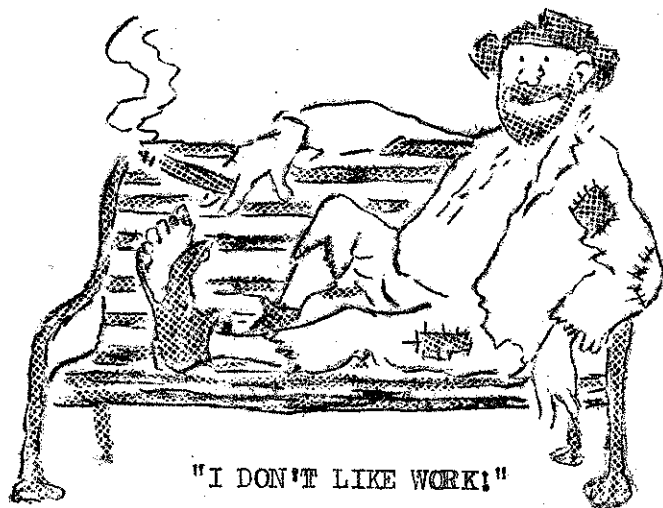
The date and author of any piece of writing often influences our assessment of its worth. Such is prejudice. Are you immune from it? Guess who wrote this - the answer will be given next month when we hope to publish another "Who Wrote It?".

What a wonderful piece of Socialism modern civilisation has become! - not the Socialism of the so-called Socialists - a system modelled apparently upon the methods of the convict prison - a system under which each miserable sinner is to be compelled to labour, like a beast of burden, for no personal benefit to himself, but only for the good of the community - a world where there are to be no men, but only numbers - where there is to be no ambition and no hope and no fear, - but the Socialism of free men, working side by side in the common workshop, each one for the wage to which his skill and energy entitle him; the Socialism of responsible, thinking individuals, not of State-directed automata.

Here was I, in exchange for the result of some of my labour, going to be taken by Society for a treat, to the middle of Europe and back. Railway lines had been laid over the whole 700 or 800 miles to facilitate my progress; bridges had been built, and tunnels made; an army of engineers, and guards, and signal-men, and porters, and clerks were waiting to take charge of me, and to see to my comfort and safety. All I had to do was to tell Society (here represented by a railway booking-clerk) where I wanted to go, and to step into a carriage; all the rest would be done for me. Books and papers had been written and printed; so that if I wished to beguile the journey by reading, I could do so. At various places on the route, thoughtful Society had taken care to be ready for me with all kinds of refreshment (her sandwiches might be a little fresher, but maybe she thinks new bread injurious for me). When I am tired of travelling and want to rest, I find Society waiting for me with dinner and a comfortable bed, with hot and cold water to wash in and towels to

wipe upon. Wherever I go, whatever I need, Society, like the enslaved genii of some Eastern tale, is ready and anxious to help me, to serve me, to do my bidding; to give me enjoyment and pleasure. Society will take me to Ober-Ammergau, will provide for all my wants on the way, and, when I am there, will show me the Passion Play, which she has arranged and rehearsed and will play for my instruction; will bring me back any way I like to come, explaining, by means of her guide-books and histories, everything upon the way that she thinks can interest me; will, while I am absent, carry my messages to those I have left behind me in England, and will bring me theirs in return; will look after me and take care of me and protect me like a mother - as no mother ever could. All that she asks in return is, that I shall do the work she has given me to do. As a man works, so Society deals by him.

To me Society says: "You sit at your desk and write, that is all I want you to do. You are not good for much, but you can spin out yards of what you and your friends, I suppose, call literature; and some people seem to enjoy reading it. Very well: you sit there and write this literature, or whatever it is, and keep your mind fixed on that. I will see to everything else for you. I will provide you with writing materials, and books of wit and humour, and paste and scissors, and everything else that may be necessary to you in your trade; and I will feed you and clothe you and lodge you, and I will



"I DON'T LIKE WORK!"

right," answers Society, "don't work. I'm not forcing you. All I say is, that if you don't work for me, I shall not work for you. No work from you, no dinner from me - no holidays, no tobacco."

"But," I say to Society,

"I don't like work; I don't want to work. Why should I be a slave and work?". "All

And I decide to be a slave, and work.

Society has no notion of paying all men equally. Her great object is to encourage brain. The man who merely works by his muscles she regards as very little superior to the horse or the ox, and provides



for him just a little better. But the moment he begins to use his head, and from the labourer rises to the artisan, she begins to raise his wages.

Of course hers is a very imperfect method of encouraging thought. She is of the world, and takes a worldly standard of cleverness. To the shallow, showy writer, I fear, she generally pays far more than to the deep and brilliant thinker; and clever roguery seems often more to her liking than honest worth. But her scheme is a right and sound one; her aims and intentions are clear; her methods, on the whole, work fairly well; and every year she grows in judgment.

One day she will arrive at perfect wisdom, and will pay each man according to his deserts.

But do not be alarmed. This will not happen in our time.

LETTER from I N D I A (Manas, 28th August, 1957.)

NEW DELHI. - The year 1957 was expected to be a crucial year in Vinoba Bhave's Bhoodan (Land-Gift) movement, for it was during this year that Vinoba had hoped for the land collection to reach a total of 5 crore (50 million) acres of land, so that at least one crore (10 million) families would have a plot of Bhoodan land.

Last year Vinoba decided to disband the organized Bhoodan workers and their district and Provincial Councils, only allowing each district to maintain direct contact with him to carry on the work. At the same time he decided not to accept any financial help for Bhoodan work from Gandhi Smarak Nidhi (Gandhi Memorial Fund) for maintaining Bhoodan workers. The Nidhi has a fund of Rs 12 crores (approximately 25 million dollars) to keep the memory and work of Gandhi alive. So before 1957 began the whole Bhoodan movement was in the melting pot.

It was during his Orissa tour that Vinoba first saw the fulfillment of his Gramdan idea. What is Gramdan? The idea of Bhoodan was easily understood, but Gramdan is not so clear. What is the sense in a village giving land to its people - land which they already have? The main idea of Gramdan is "giving up individual possession." According to Vinoba, land should be "free," like air, sunlight and water. Gramdan means that each land-owner gives his land to the village, no longer possessing any proprietary rights over land to sell or mortgage. He can only till the land. The land becomes the property of the village, to be distributed to each family according to its size and need, with a common plot to be cultivated jointly by all, its produce to be used for development of the village and for providing social amenities. The Gramdan idea, both in theory and practice, is still in its formative stage, and its full implications are not yet plain. Pandit Nehru thinks that Gramdan villages should take up co-operative farming, while, so far, farming is done by individual families, except for the plot to be tilled jointly.

# *SOUND MONEY OR...*

## *PART II*

(continued from last issue).

The second alternative is the only one that offers any hope for a free society to survive. The mere determination of the size of the bill is but a preliminary. It has to be followed by monetary reconstruction on a sound basis, to enable the community to devote its energies to production, instead of dissipating them in endless quarrels about the way in which the rising cost of living has to be met.

The first problem of monetary reform is to find out what our money of account is worth. That can only be determined in terms of real value. The best real value that mankind has evolved, as a monetary measurement, is the measure of gold. What are the paper promises to pay, which the citizens hold, worth in terms of gold? Nobody knows. Limited free markets, harried by governmental restrictions and isolated from each other by barriers and prohibitions, all give different results from each other at one time, and different results inside the same market at different times. The only way of finding the answer to this all-important question for monetary reform is to wipe out the barriers between them. The only way is to have a real free market for gold in the principal trading countries of the world - freedom for the citizens to buy, sell, import, export or hold gold as he sees fit.

This is only a first step. It will determine the size of national debts in real terms. It will determine what currencies are worth in terms of each other, and replace the present absurd system by which their value is "pegged" according to the notions of a limited number of authoritarian bureaucrats and maintained (more or less inefficiently) by a vast army of officials, supported at the cost of the workers of the world.

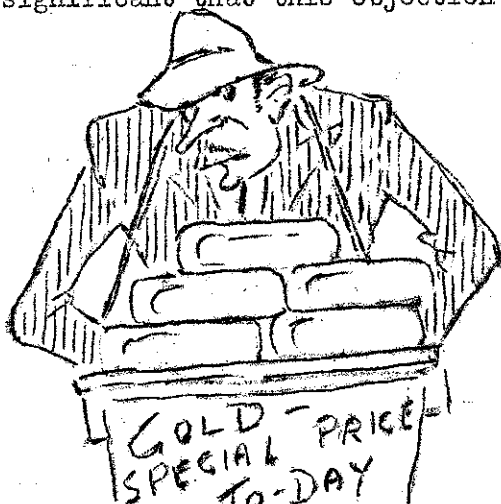
It is not sufficient that this right of the citizen to demand final payment, at whatever figure his claims are now worth, should be re-established. It should thereafter be maintained.

As soon as the citizen can freely exercise the right of demanding final, or real payment for his goods and services, governments will be careful not to issue more than they can redeem on demand. If, alternatively, they over-issue, the citizens can force them back inside the limits of safety quite easily by demanding payments in gold. The securing of the right to demand gold is, therefore, a potent weapon

against inflation - against a rise in the cost of living caused by monetary manipulation.

This is, in fact, the only weapon now available sufficiently powerful to put an end to the present inflation and the many evils which follow from it. It is often said that a rise in the price of gold will cause more inflation. It is important to analyse this statement critically.

It must be admitted that if the price of gold is increased, and governments retain the right to inflate the currency the statement is true. But the qualification is essential. It is, indeed, very significant that this objection to the increase in the price of gold



comes mostly from monetary authoritarians. A few others sometimes fall into the trap of using the same argument because they do not appreciate the importance of the qualification. The monetary authoritarians should be the last to advance this as an argument against increasing the price of gold. For is it not a cardinal tenet of their faith that they can manage money?

It is, of course, quite clear from the present universal inflation that they have failed to manage money in such a way as to keep even a modest

control over prices. If now they argue that a higher price for gold will cause more inflation it is tantamount to a confession that they will use the broader gold base for the creation of even more inflation.

It is, however, an essential condition of sound monetary reform that governments should be deprived of the right to inflate the currency. This can be done in two stages, namely:-

- (1) the restoration of the right of the citizen to buy, sell, import, export or hold gold without let or hindrance from the government. (This does not preclude the enactment of safeguards against theft, or illicit gold buying);
- (2) the restoration, once the true value of gold in terms of paper money has been established, of convertibility of paper money into gold, again at the will of the citizen and not of the government.

Let us suppose, however, that the authoritarian bureaucrats have their way and spend the extra money that they get by a revaluation of the gold stock (if any) held in the national treasury. This will



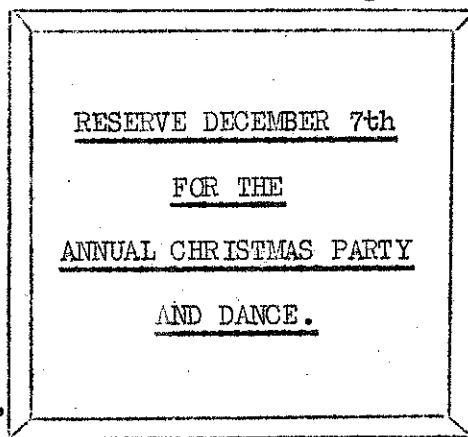
certainly cause further incipient inflation. But if, as any sound monetary reform must postulate, the citizen regains the right to demand gold, such action by the monetary authorities will immediately cause a drain of gold away from the national treasury. The monetary authoritarians will, therefore, be brought to heel very quickly.

It is perfectly true that, until the price of gold in a free market becomes reasonably stable, a government cannot restore convertibility. Convertibility assumes a definite figure at which the unit of money of account can be converted into gold. That figure cannot be fixed until the price of gold has been determined by the arbitrament of a free market; the only agency that can now determine it. There would, therefore, be an interval during which dealings in gold would be free but the right of the citizen to demand gold for paper could not yet be exercised. But no government, intent on monetary reform, would render itself more vulnerable to a demand for gold at such time as the right to demand it is restored, by inflating its currency during this interval.

Once the change-over to convertibility has been achieved, a powerful safeguard for the maintenance of a stable monetary system will enter into force. If, in such circumstances, a government does tend to live beyond its means, pressure will immediately be exerted on it, by an efflux of gold, to return to safer limits. Pressure, so exerted, will be of a mildly deflationary nature. Just as a gyroscopic compass corrects a vessel's deviation from its course as soon as this deviation becomes significant, just so will a movement of gold, either abroad or into private hoards, correct deviations from sound monetary policy.

One of the great evils of inconvertible currency is that such dangerous deviations can go unchecked for a long time without either corrective forces being set up, or the community even being aware that it is drifting into danger. This, then, gives rise in time to capital flight, and when the disease has advanced far enough to demand governmental interference, recourse must be had to such drastic remedies as import and exchange controls, rationing, price fixation and self-defeating cost-of-living allowances. These inherent evils of inconvertible money will always be with us until the citizen's right to final payment on demand is restored.

The present highly fictitious prosperity is being kept up by wars and rumours of wars, by re-armament and stock piling. These latter, again, are kept going by the process of pumping ever more and



more promises to pay into circulation. What will happen when this process can no longer be continued? Clearly, only war or a depression of a magnitude that will create a disruptive revolution. Joseph Stalin and his associates must be laughing in their fists at the aptness with which the totalitarian bureaucrats in the national treasuries of freedom-loving countries have become pupils of Lenin: "Debauch the currency."

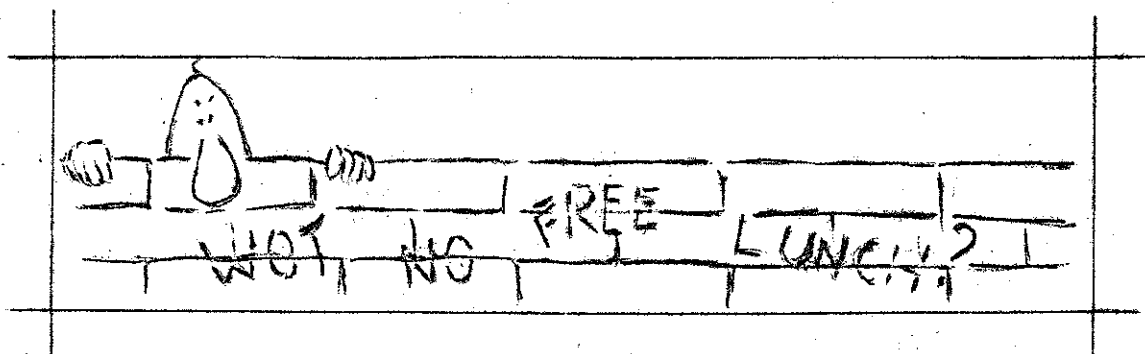
FINAL CHALLENGE. Two great wars have taught us that, if the relationship between real money and money of account has been disrupted by the abolition of the safeguards for honest money, there is only one way out: to write down depreciated money to its correct value in terms of real money. To attempt, as we have done before, to write up depreciated money to the value of real money, is to disrupt the whole community. Once this adjustment has been completed, there is no reason why real money should not exercise the salutary influence that it has exercised during the periods of great progress and prosperity in the world's history.

If gold is not correctly priced, it will, in time, work havoc with any monetary mechanism, whether this mechanism be the gold standard or a managed currency. The theory of the monetary authoritarians is that they can control gold. They have tried. They have been armed with the great powers of control that governments hold over the gold in their treasuries and central banks. They have given an interpretation to the Articles of Agreement of the International Monetary Fund that would, if it had been advanced at Bretton Woods, have prevented the Fund from ever being born. They have had the benevolent support of the greatest gold producers, South Africa and Canada, which have refrained from using the powers specially reserved to gold producers.

And yet the monetary authoritarians have failed to keep incarcerated even the gold that was held by treasuries and central banks before the Fund's gold policy of 1947 was formulated. The Fund is now (i.e., August 1951) struggling with the problem of the losing fight that official hoarders are waging against private hoarders. They are trying, in truly authoritarian fashion, to introduce ever more prohibitions and restrictions in order to turn the odds in their favour - this from an organisation created to eliminate foreign exchange restrictions, which hamper the growth of world trade!

Against them are fighting millions of humble individuals, who care nothing for their theories, but who realise vividly that the possession of gold is a safeguard of human liberty.

Can the monetary system of the authoritarians survive a challenge based on this ground? And if it can, is it a victory for mankind - or for authoritarianism and ultimate Communism?



"When people borrow more than they save, soon there is a shortage of money." So said the blue-eyed junior economist in the Harris Trust, etc., advertisement, condensed in the August Magazine.

What does it mean, to borrow more than you save? It means, to spend. If you borrow money and keep it, you are saving it. If you don't keep it, that is known as spending it. To borrow more than you save, then, means to spend more than you save. In other words, to spend. So the proposition is, that "when you spend money, you cause a shortage of money."

If we all threw our cash down a drain, there'd be a shortage, agreed. One that could be remedied only by printing and minting more. But unless money is destroyed, how is there a shortage of it? Spending it means putting it in circulation. If everybody else is doing the same, what then? Whence the great National Shortage that requires the starting up of the printing presses?

If an economist tells me a shortage is caused through everyone withholding their money from circulation, I might understand that. (Although the only way they could do this would be to sew it up in the mattress or bury it. You don't withhold money from circulation by putting it in a bank.) The solution then might be to coax the money out of them by proper inducement; for instance, a stable money market and free convertibility; a wholesome method of taxation, etc. Anything but get them to save!

To print more money is to admit defeat, as well as to make matters worse. The National printing press has no magic properties, when overdone, that are not shared by that of the lowly forger.

The pearl of wisdom, that "there is no such thing as a free lunch" should have clinched the argument, if only by its thundering irrelevance. (Unless pointed specifically at the king in question, who'd probably caused the whole trouble by living on credit all his life). The rest is a smoke-screen to hide from readers the essential truth - that there really is no such thing as a free lunch!

And to say, "if people were to save more, there would be plenty to lend," is as helpful (to the subject of inflation) as saying that if people borrowed more, there'd be plenty to spend. It is like

telling a motorist who has run out of petrol in a raging storm in the middle of Dartmoor, that if it were night-time in Italy it would be Wednesday over here. He might laugh at you, but he'd still be out of petrol.

So with many official "solutions." They are applauded by the millions, but inflation goes spiralling forever upwards, with



'TOP OF THE POPS!'

Olympian indifference to both spenders and lenders, who go on spending and lending (with equal indifference) as they have always done, since before the word "inflation" was blown up and given its present associations. I might know nothing about inflation. After hearing the experts, I still wouldn't.

Someone should start a Hit Parade of "Statements on Inflation" (same Magazine, same issue) to decide who in any month is Top of The Pops! But then, their

authors might reciprocate by charging us entertainment tax on it - as part of the war against inflation.

All of which reminds me of the following verse:

See the happy moron,  
He doesn't give a damn  
I wish I were a moron.  
My god! Maybe I am!

Irrelevant? Irreverent? Who cares?

L.J.H.

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GOLD STANDARD IN GERMANY? Mr. J.E.T. Maude, South Africa's Finance Minister, said when he arrived at Southampton yesterday that gold coins might again come into use. He said that during a visit to Bonn he would be having talks with the German Finance Minister, and added:

"We were told that there was a scheme which has been considered. I want to know how far it has got. If gold coins are brought back in Germany, I don't see any reason why other countries shouldn't follow, but I don't think gold coins will return in England."

- Manchester Guardian, 17th August 1957.

Other countries cannot begin to think about a gold coinage until they stabilise their currency - Germany points the way. And it is no good blaming her because she refuses to debase her currency as other European countries are doing. (Eds.)



# Correspondence

Dear Sirs,

May I, through the medium of your correspondence page, ask your readers' views on whether a policy of free trade under existing conditions is better than a policy of protection? Further, assuming that a governmental policy of absolute free trade is not possible for some years to come, do your readers consider that the proposed "free trade" pact involving the Western European nations, is to the ultimate benefit of the countries involved?

I would refer to Henry George's "Protection or Free Trade" in which he says, *inter alia*, "The free trader can only answer: 'it (a policy of free trade) will increase wealth and reduce the cost of commodities.' But in our own time the working man has seen wealth enormously increased without feeling himself a sharer in the gain. He has seen the cost of commodities greatly reduced without finding it any easier to live."

Again, in Frederick Verinder's "Land and Freedom", there is quoted an example of what happened when the Scheldt was declared a free trade area in 1795. The very day after the publication of the decree, the value of houses and land in Antwerp was increased tenfold. I assume that, for those who lived in the area, there would be a rise in the cost of living.

In connection with the European Common Market treaty it is interesting to read accounts of Australia's recent trade negotiations with Japan and other Asiatic countries. This is just another phase in the always present problem of Australia's continued existence as a nation of European stock. The Australian Prime Minister has advised this country that it would be in her own interests to enter into the European Common Market treaty. After all, if much of our Australian trade goes, and if the U.S.A. and Canada still refuse to trade freely with us, who else do we trade with? - Ireland? - New Zealand?

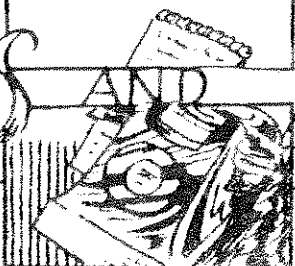
Yours, etc.,  
H.B. SOUTHCOTT, Fulham

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# NOTES AND VIEWS



**NEW TUTORS:** The School is fortunate to have the services of two new Tutors this term, Dr. F. J. Jones and Mr. Keith Evans, B.Sc. The former will be conducting the first class to be held in Cardiff, which is being organised by Mr. F. Giggs.

The class conducted by Mr. Evans will be held at Cowes, Isle of Wight which is also a new centre of activity. We wish them luck in the building up of regular classes in their areas.

Mr. Michael Monk recently appointed as Tutor in the Welling area breaks new ground in Eltham this term. New ground is also being broken by Mr. Oliver French who is arranging a class to be held in West Ham among the local Liberals.

**CORRECTION:** The class advertisement to be held at Lockenham will not be conducted by Mr. Charles Aitken as listed, but by Mr. P. R. Stubbings, assisted by Mr. B. W. Brooks. Mr. Aitken will conduct a course at Sidcup in place of Mr. Hedges.

**CHANGE OF ADDRESS:** Miss Grace Levy asks us to announce to friends at home and abroad that her new address is as follows:-

91 Biddulph Mansions,  
Elgin Avenue, London, W.9.

We publish this at her request as mail will not be forwarded from her old address.

**MONTHLY LECTURES AT WESTMINSTER:** In this issue are listed various lectures to be held at Palmers Green and at Welling. In addition to this a series of monthly lectures will be held at Church House, Westminster, beginning on 16th Oct. at 7 p.m. The first is to be a talk by Mr. C. W. Greenidge, who will speak on the chattel slavery which still exists to-day in various parts of the world.

Watch out for notices of further lectures at Westminster. Members of the School and friends are invited.

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- (1) "DULLES BLASTS COMMUNIST MEDDLING IN MIDDLE EAST"
- (2) "Indianapolis (AP): ... several other bills deemed unconstitutional by Atty.Gen. Steers, including a ban on Sunday auto sales, were signed by the governor during the past week..."

The above news items, the latter buried in an account of new laws and the former blared in war type, illustrate an interesting trait in human nature. While our liberties are being slipped away by means of many little bills that are little noted, if at all, by the general public, our attention is being centered on quarrels with our neighbours. It puts me in mind of something that occurred in Springfield, Illinois, near the turn of the century.

The incident took place in a back room in Springfield during the week of the Illinois State Fair. I was playing cards with several city officials one afternoon. The city was jammed with visitors and, as was the custom, the councilmen were enjoying a bonanza from the concessions set up on the streets in the downtown district. All kinds of games were in progress - even the old shell game - to relieve the visitors of their butter and egg money. This year the skin games were going stronger than ever and the suckers who had been trimmed were hollering their heads off. Suddenly, the back door opened and the chief came in, all worked up. He addressed the alderman who handled the concessions. "Tom! The station is full of kicks. What am I going to do?" Old Tom never turned a hair. He grabbed the chief and shoved him out of the door. "Get out to the fairground and catch those Chicago thieves before they carry away the whole town!"

Old Tom was playing on a trait in human nature that has been recognised and played upon by clever politicians in all lands for centuries. And the above news items portray how successful the strategy of diversion is even today, when our schools and colleges and churches are supposed to have produced a generation of enlightened citizens with a real understanding of the meaning of liberty. By means of the old established ruse of diverting public attention to the bad men across the waters, it is possible to continue the games here at home. - James C. Carson, Bluebird Newsletter

FOOT-NOTE Church leaders ought to be in the front rank to fight against a proposed law to prohibit operation of automobile sales on Sunday. The observance of a religious holy day is a matter between each individual and his conscience. It is not a matter for legislation. If the law is to be used to promote religious ideas, then the law will also be used to control religious ideas. If the church asks the law to fight its battles, the church will wind up wearing a yoke of law around its neck. - Muncie Star Editorial

# Contemporary Comments

## CHALLENGE TO JO GRIMMOND

There is one sphere of activities from which the allure of harmony is missing: that is politics. Some fifty years ago no election, General or "By", was complete without its battle-songs. The Radical Free Traders, combating the Tory Protectionists, roared out their ditties to show that economics was no dismal science. The voters were summoned in chorus to

Stamp, Stamp, Stamp upon Protection,  
No food taxes in the Land.

Did the Tories insist that "tariff Reform Means Work for All"? The Radicals would sardonically and rhythmically chant, "Chopping up Wood in the Workhouse." Then came the famous Lloyd George Budget. The Taxation of Land Values was properly thought to sound a less arid cause if vocally projected with the "Land Song" and with its confident theological assumption that "God Gave the Land to the People," this democratic dithyramb was bellowed to the tune of "Marching through Georgia," or more accurately, "Towards Lloyd Georgia." Can Mr. Grimmond restore his party with any similar heart-lifting hymn? - Ivor Brown, Observer, 15th September 1957

It is not the hymn the Liberal Party lacks, but the policy. Fundamental principles never die even if politicians do. (Eds.)

## "HOW THE MARKETS WERE BUILT"

"In 1820 the State agreed to build a covered market for £5,500. As they had £1,000 in hand, 4,500 notes of £1 were issued on the security of a small tax on spirituous liquors. The work was undertaken and the market completed and opened in 1822.

"Each of the 36 shops yielded £5 in rent. As soon as the £180 was received each year 180 State's notes were burnt. The 4,500 notes would have taken too long to destroy at this rate, but the State also paid into the Market Fund £300 per annum derived from a tax on wines coming into the island.

"£30 of this was set aside for running repairs and £270 went towards the extinction of more paper notes. At the end of ten years not one of the notes issued to pay for the building was

left, no interest had been paid upon them and there was a steady income of £180."

The above is copied from a plaque which stands in the Market Place at St. Peter's Port, Guernsey. It can be said of the Authorities that they knew what they were doing: true they inflated the currency, but they put it right again. (Eds.)

WHERE THE SHOE PINCHES To ask an American Businessman - whether he be grocer, baker or candlestick maker - if he believes in competition is almost like asking for a sock on the nose. Of course, he believes in competition - and he raises his voice to add emphasis to his answer.

But, after he has cooled off a bit from your question, you may find that he has his own definition of competition. For example, let's walk with him down the street toward the grocery store of which he is the proprietor. Across the way in a window of one of his competitors is a large sign: "Sugar, X cents per pound." You call it to his attention and at once his brow knits. "That's unfair competition," he says. "That so-and-so has cut his price again to attract my customers." I remind him that he believes in competition. "Why, yes," he replies, "but not unfair and ruthless competition." And, if you then ask him, "But why is it unfair for a competitor to cut his price?" he will explode, "Why, any darn fool knows that it is unfair to sell sugar for X cents. You can't make any money at that price. There ought to be a law in this state against such practices." - Charles F. Phillips, 'Competition? Yes, But...'

#### WHO ARE OUR COMPETITORS?

Our competitors do more for us than our friends.

Our friends are too polite to point out our weaknesses, but our competitors go to great expense to tell of them.

Our competitors are efficient, diligent and attentive.

They make us search for ways to improve our products and our services.

Our competitors would take our business from us, if they could.

This keeps us alert to hold onto what we have.

If we had no competitors, we might become incompetent, inattentive and possibly lazy.

We salute our competitors; they have been good to us.

We need the discipline they enforce upon us.

God bless them all.

- Anonymous.

LAND VALUE DIVIDEND Banks in Alberta will begin paying out 20 dollars (about £7. 3s. 4d.) each to every adult resident of the Province tomorrow as the first "oil wealth bonus." About 550,000 persons have the necessary residential

qualifications for this dividend, and the total cost to the province will be 11 million dollars (nearly £4 million).

The bonus represents one-third of the net royalties received by the provincial Government from oil and gas production during the past year. If, over the coming year, the royalties increase more than the population rises, a dividend of more than 20 dollars is promised for next September.

This "share the wealth with the public" scheme by Alberta's Social Credit Government is meeting with some criticism both in the Province and in other parts of Canada. Critics contend that Social Credit is trying "to buy popularity" in preparation for the next election. They suggest the sum of 11 million dollars might have been more usefully invested in hospitals, welfare services or education. Some Albertans also point out that municipal taxation continues to be increased.

But among many residents the idea of a Government handing out hard cash direct to the public for the first time is very popular. They bear no malice when they recall that a quarter of a century ago a Social Credit Government in Alberta promised a dividend of 25 dollars a month to Albertans.

- Daily Telegraph, 3rd September, 1957

This, of course, is not Social Credit as understood by those who advocate it. In spite of the fact that a "Social Credit" Government is in power it is far nearer to Land Value Taxation in principle - but why not do the job properly instead of playing with it? Collect the value of all land, the heritage of the people, and correspondingly reduce taxation. (Eds.)

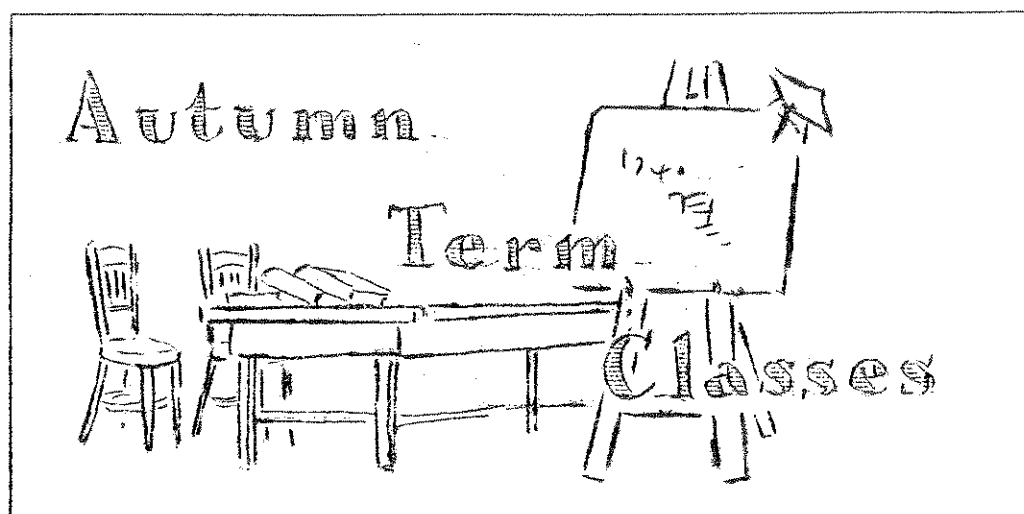
GUIDE TO INVESTORS Some interesting figures have been quoted by the London and Cambridge Service comparing the values of gilt-edged and equity share values with the prices of second-hand houses over the past 10 years, showing that the investor would have benefited more by a purchase of second-hand house property than by Stock Exchange investment on a basis of averages. Assuming that £100 was invested in 1946, there would have been a substantial capital loss on gilt-edged investments and a steadier capital appreciation in the case of property investment.

- Land Union Journal, August 1957.

"TALKING POINT" The man who gives me employment which I must have or suffer, that man is my master, let me call him what I will.

- Henry George.

Quoted in the Daily Express,  
3rd September, 1957



SIDCUP - Station Road.

Basic Course

Beginning 30th September 8 p.m.

MONDAYS.

Tutor: F. Hodges.

WEST HAM (Liberal Assoc.).

Basic Course.

Beginning 25th September 8 p.m.

WEDNESDAYS.

Tutor: O.P. French.

GOLDERS GREEN (Phone: HILL 4162)

Science of Political Economy

Beginning September 8 p.m.

THURSDAYS.

Tutor: N.K. Gardner.

GLASGOW - 70 Bothwell Street, C.2.

Basic Course

Beginning 27th September 7.30 p.m.

FRIDAYS.

Tutor: H.W. Hopkins.

DUNDEE - York Room, Green's Playhouse.

Basic Course

Beginning 4th October 7.15 p.m.

FRIDAYS.

Tutor: Mr. Goddard.

Current Economic Theories

Beginning 4th October 7.15 p.m.

FRIDAYS.

Tutor: J.A. McMurichie.

CARDIFF - Central Y.M.C.A.

Basic Course

Beginning 10th October 7.30 p.m.

THURSDAYS.

Tutor: Dr. F.J. Jones.

ISLE OF WIGHT - Workmen's Club

Basic Course

Beginning 30th September 7.30 p.m.

MONDAYS.

Tutor: K. Evans

LIVERPOOL - Free Church Centre

Basic Course

Beginning 25th September 7.00 p.m.

WEDNESDAYS.

Tutor: Frank R. Jones



SERIES of LECTURES at WEILLING LIBRARY

WEDNESDAYS 8.0 p.m.

- SEPT. 18th "The India I Knew"  
Mr. S.B. Warburton, Ex-Commissioner, Indian Police.
- SEPT. 25th "World Health Organisation"  
Miss I.M. Hayward, B.A.,  
United Nations Association.
- OCT. 2nd "Economic and Political Situation in Malaya"  
Mr. Lawrence H.C. Huang.
- OCT. 9th Topical Discussion.
- OCT. 16th "The Probation Service"  
Mr. Ernest Cotton,  
Senior Probation Officer.
- OCT. 23rd "The Stock Exchange"  
Mr. G.C. Morrison,  
Partner in a firm of Stockbrokers.
- OCT. 30th "The English Reformation"  
Mr. C. Aitken,  
Tutor of the Henry George School.
- NOV. 6th Branch Affairs.  
General Discussion on future activities -  
your ideas please.
- NOV. 13th "My Views on Politics"  
Mr. Raymond Pope,  
Conservative Councillor, Sidcup U.D.C.
- NOV. 20th A speaker from the Peoples League for the Defence  
of Freedom - fuller details to be announced.
- NOV. 27th "The Work of the Socialist International"  
Miss Mary Saran,  
Member of the Staff of the Secretariat.
- DEC. 4th An address by Mr. Howard,  
Prospective Liberal Candidate,  
Orpington Division.
- DEC. 11th "Economic Quiz".

SEPTEMBER TERM CLASSES

<u>WESTMINSTER - Great Smith Street.</u> <u>Basic Course</u> Beginning 24th September 7 p.m.	<u>TUESDAYS</u> Tutor: V.G. Saldji
<u>WESTMINSTER - Great Smith Street.</u> <u>Basic Course</u> Beginning 24th September 7 p.m.	<u>TUESDAYS</u> Tutor: A.L. Roberts
<u>WESTMINSTER - Great Smith Street.</u> <u>Basic Course</u> Beginning 26th September 7 p.m.	<u>THURSDAYS</u> Tutor: R.A. Ward
<u>WESTMINSTER - Great Smith Street</u> <u>Science of Political Economy</u> Beginning 26th September 7 p.m.	<u>THURSDAYS</u> Tutor: V.H. Blundell
<u>WELLING - Public Library, Bellegrove Rd.</u> <u>Science of Political Economy</u> Beginning 24th September 8 p.m.	<u>TUESDAYS</u> Tutor: R.R.H. Jones
<u>WELLING - Public Library, Bellegrove Rd.</u> <u>Basic Course</u> Beginning 25th September 8 p.m.	<u>WEDNESDAYS</u> Tutor: C. Short
<u>ELTHAM - Public Library, High Street.</u> <u>Basic Course</u> Beginning 30th September 7.45 p.m.	<u>MONDAYS</u> Tutor: M. Monk
<u>ENFIELD - Grammar School, Market Square.</u> <u>Basic Course</u> Beginning 25th September 8 p.m.	<u>WEDNESDAYS</u> Tutor: W.J. Cadman
<u>ILFORD - Gants Hill Library.</u> <u>Basic Course</u> Beginning 7th October. 8 p.m.	<u>MONDAYS</u> Tutor: K. Baynes
<u>BECKENHAM - Public Library, Beckenham Rd.</u> <u>Basic Course</u> Beginning 25th September. 8 p.m.	<u>WEDNESDAYS</u> Tutor: C. Aitken
<u>TOOTING - Bec School, Beechcroft Road.</u> <u>Basic Course</u> Beginning 23rd September. 8 p.m.	<u>MONDAYS</u> Tutor: Dr. D. Russell
<u>PALMERS GREEN - 36, The Grove.</u> <u>Series of Lectures</u> Begins 23rd September.	<u>MONDAYS</u> <u>Visiting Lecturers.</u>

# Lectures with Discussion

At: Samaritan Hall, 36, The Grove (off Lodge Drive)

- MONDAYS 8.0 p.m. -

## 23rd Sept. - "THE A.B.C. of INFLATION"

What is inflation? Who is responsible for it? How does money lose its value? The threat to savings. The Government's dilemma. Facts and fallacies of inflation.

## 21st Oct. - "FREE ECONOMY versus PLANNED ECONOMY"

Why Government planning? Does private enterprise mean exploitation? Who pays for the Welfare State? Liberty and Licence. Should a Government redistribute earnings? The Functions of Government.

## 18th Nov. - "FOOD, THE FARMERS and the HOUSEWIFE"

An examination of subsidies, controls, trade, food prices. Is your food as cheap as it can be? Who is feather-bedded and who is plucked? The egg scandal. Why dear vegetables?

## 13th Jan. 1958. - "FREE TRADE - MENACE or BLESSING?"

Who is protected from whom by tariffs? Unemployment and Free Trade. Sweated labour. Japanese competition. What is a dollar shortage? Monopolists and wire-pullers behind the scenes. The consumer always pays.

## 10th Feb. - "FALSE PATHS TO HIGHER WAGES"

Can Trade Unions raise wages? Higher wages - higher prices. Why? Who should fix wages? Real wages and paper wages. The Economic Trio: Government, Industry, Wage-earners. How can we raise real wages?

## 10th March - "WHY RATE HOUSES AND SHOPS?"

The better you build the higher your rates. Dilapidation encouraged. The community's treasure chest. Alternatives to the present system. The proper source of local revenue.