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# PREMIUM

DEVOTED TO: explaining the  
social nature of ground-rent and  
the injustice of taxation.  
ADVOCATING: the complete  
abolition of taxation. The public  
collection of the freely offered  
and automatically adequate  
ground-dues.

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The most noteworthy event of the past month is Richard Nixon's statement that a "surcharge" of 10% would belevied on most imports to the U.S. The reason given for this goes back to the days prior to 1776 to the Mercantile system which held that on a national scale, it was better to give than to receive, that the more a country could export, and the less it could import, the better would conditions be.

Adam Smith's "Wealth of Nations" showed that although it might appear a good thing for an individual to sell a great quantity of goods and take in money, the same thing did not hold true for a community. Smith stated clearly that the wealth of a nation is produced by its labour from its land, and that countries which exported a great deal of this true wealth and imported a little, were the losers. In Smith's day the difference in value between exports and imports was known as the balance of trade, and an excess of exports was misnamed "favourable".

The error in thinking was perhaps because people looked on money as wealth. However today we hear of a "favourable balance of payments", referring to money transactions, and so perhaps modern people are more confused than the mercantilists. A favourable balance of payments is said to exist when more money is spent by other countries in mutual trade than one's own country spends.

If we wish to study the question on the level of money, we must first think of the origin of money. It is created by ledger entries at a national bank, a process which is almost costless. It is a favourable thing for the U.S. government to be able to create money at no cost, then spend it to buy materials from abroad to continue its warlike course. As long as this happens, people in other countries are paying for the U.S. war.

Nixon's advisers have persuaded him that the U.S. dollar should buy less, so that more can be exported and less imported. A more illogical position would be hard to find, but does logic really matter? The action is important in this modern day, the reason for it merely words, words, that are intended to sound like a justification for the action, so let us not be deceived.

The Big Three U.S. motor companies have been trying to capture the small car market from Germans and the Japanese, and to some extent from the Italians and French, but the sales of their new models seem to have cut into the sale of the bigger cars the companies normally would have

disposed of. Meanwhile, Japanese sales especially, are booming.

A 10% tariff on small cars will apparently suffice to keep out imports, but is that the final result? We must remember that international trade is an exchange of goods and services for goods and services. Small cars imported are paid for by many products exported. People producing these exports will find demand drying up, and they will not be able to afford their annual Ford, G.M. or Chrysler product.

In the same way, the general U.S. standard of living will decline, and all because of a misguided play for more power by those who control Government.

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"Canada's armed forces are being trained for operations in cold conditions as a means of asserting Canada's national sovereignty over the Arcticis."

All land titles stem from a basis of force. Do we as individuals accept the idea that might is right? If we did, any possessions we have we would keep only because we are strong enough to fight off someone else. The strongest would take all.

The same principle is true nationally. Today's titles to rule over areas of land depend on the fact that there is the threat of force held against those who do not wish to be ruled. Government by consent is a thing of academic interest only.

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#### NEW AID TO INSTRUCTION:

We have completed the text of an introductory course in basic economics designed to reflect the Canadian scene. It is mimeographed and suitable for use either with a group or as a series of lessons by correspondence.

The course has been arrived at by several revisions of lesson resumes. We think that the section on municipal finance (with diagrams) is very telling. It uses a little arithmetic to get across the stupidity of taxing improvements.

Send along \$2. to cover costs and we will mail you a set of papers. You might like to use these to feed to an acquaintance who is in need of instruction.

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