liberties but under some delusion," and that " among a people generally corrupt, liberty cannot long exist." Lord Reading predicts: " If the process is skilfully applied, they will become as clay under the potter's hand and whatever the vessel thus moulded may contain, it will not be liberty."

The late Gilbert Murray, in a typically humane and brilliant essay, blames the decline of Liberalism in Europe on thirty years of war. The necessity of winning a war, he avers, becomes such an overwhelmingly strong motive that all other considerations give way to it.

" It produces the party that calls itself Nazi, Fascist or Communist . . . . . but is at heart the same: a party absorbed by unbridled lust of power. Liberalism has become largely a fruitless longing in the hearts of specially conscientious or thoughtful people for something lost or unattainable."

Dr. Murray usefully defends the doctrine of *laissez-faire*, in its correct context, which anti-liberals foolishly despise and pervert, and points to the need for its revival. Citing the multitude of taxes after the Napoleonic wars, some in the interests of bad economics, he recalls that (following Peelite precedent) Gladstone, during his first tenure at the Treasury, abolished 150 taxes " and reduced, I think, 140 more."

" The cry taken from the French economists of *laissez-faire*—freedom to manufacture without a special permit—and *laissez-passer*—freedom for goods to pass about in the country without local *octrois*, was a very necessary gospel of emancipation, and no doubt it will be again as the effects of the world war recede. What a joy it will be to abolish taxes and restrictions by the hundred ! "

Here, as in the five other essays which comprise *The Meaning of Freedom*, is a simple, philosophical and practical restatement which no-one who professes himself either anti-liberal or liberal (even with a small ' l ') can afford to ignore. Lord Samuel contributes a succinct and eminently satisfying Introduction.

* The Meaning of Freedom, Pall Mall Press. (Paperback edition, 3s. 6d., library edition, 7s. 6d.)

A CUSTOMS UNION—*continued from page 20*

Finally, there is the question of the average tariff level on imports from outside the area in contrast to the level which would be employed in the absence of such a union.

From the Free Trade viewpoint a customs union is neither necessarily good, nor necessarily bad. Each case should be treated on its merits. As Professor Lionel Robbins has written, " From the international point of view, the tariff union is not an advantage in itself. It is an advantage only in so far as, on balance, it conduces to more extensive division of labour. It is to be justified only by arguments which would justify still more its extension to all areas capable of entering into trade relationships. . . . No doubt if we could coax the rest of the world into Free Trade by a high tariff union against the produce of the Eskimos, that would be, on balance, an international gain. But it would be inferior to an arrangement whereby the Eskimos were included. The only completely innocuous tariff union would be directed against the inaccessible produce of the moon ".

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incorporating THE LONDON NEWSLETTER

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Dr. W. M. Curtiss, The Foundation for Economic Education, Irvington-on-Hudson, New York: "In response to Mr. Roger Fulford's appeal to Mr. Leonard Read, we are enclosing our check for $10.00 in support of The Free Trade Union. We enjoy The Free Trader and look forward to receiving it. Congratulations on a fine piece of work."

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THE "ECONOMIST" APPEAL

To The Editor of The Economist.

SIR,—The project for a European Common Market and associated Free Trade Zone has already stimulated or strengthened public interest in the Free Trade question. At this turning point in international affairs it would be a tragedy if, for lack of money and after a famous history of 54 years, The Free Trade Union, a non-party organisation, were compelled to close down or even to curtail its activities. That stark predicament will confront us early in 1959 unless we succeed in raising new sources of revenue. Our needs are extremely modest, since to carry on, on our present basis, we need an additional income of approximately £2,500 per year. Our present activities, propagandist and educational, include the maintenance of a small office pursuing a large correspondence at home and abroad, a voluntary speakers' panel available for public meetings of all kinds, and the bi-monthly publication of THE FREE TRADER, a highly respected journal with an influential circulation, whose features are often reproduced at home and overseas. We address this appeal to the readers of *The Economist* (leading spokesman, as it has been, ever since 1843 of fiscal liberty and the free economy) in the confident aspiration that they may be willing to help us.—Yours faithfully,

ANDREW MCFADYEAN
TENBY

Free Trade Union and Cobden Club,
116 *Victoria Street, London, S.W.* 1

GETTING READY FOR SELLING IN THE FREE TRADE AREA

BY A FREE TRADER SPECIAL CORRESPONDENT

LIKE THE ICEBERG, there is much more going on about the Common Market for Western Europe than the newspapers have reported. There is nothing sinister about this. It is just that the affairs of those who work out the ground plans for trading activity never do—or hardly ever—get into popular print.

For example, the number of people outside the profession who have heard of the Incorporated Sales Managers' Association is very small—despite its very considerable importance to the commercial life of the country. So what was said at Leeds remains still to be published beyond the trade press.

When the Leeds branch of ISMA gave a lunch recently they had along Mr. A. L. Jackson, Director of Sales Consultants Ltd., who "spelled out" to those assembled just what the Free Trade Area is going to mean to sales managers.

"We, in this country," he said, "will have a war on our hands—a war of delivery and design, craftsmanship and salesmanship". And, he added, the penalties of losing and the rewards of winning would be greater than any war fought by this country before.

"Sales managers will have to speak three languages, and invoice typists will have to work in pounds, marks, francs, lire and guilders. The metric system will be obligatory" . . . but he was not in the least dismayed by it all. "As a salesman I am glad that I was born of this age; glad to live to see the time when sales management takes the lead".

But not all are caught up in such enthusiasm.

Thus those who have been sheltered from the activities of sales managers overseas (by tariffs, quotas, currency rigmaroles and all the tedious ramshackle rest of it) and will now (when the FTA arrives) have to get out and ring door bells for their trade, are far from content. Some are very worried indeed and they include those deep in the paper trade (a trade whose activities price-wise have lately prompted demands that the Monopolies Commission take a long look at it).

"I feel that unless our participation in the proposed Free Trade scheme is accompanied by proper safeguards, the British paper trade may again find itself in a difficult position". Such was the cautious note sounded after Sir Arthur C. Reed, Chairman of Reed and Smith Ltd., had recalled how paper had been at "ridiculously low prices" after the 1914—18 war as a result of the "dumping" of foreign paper.

Yet one cannot help feeling, even as one reads through the speeches of monopolistic and tariff-loving alarm and despondency, that there is a widespread majority feeling that, for better or worse, "it's coming".

And the market planners have taken steps accordingly.

At this stage it might be worth pointing out—since these operations take place away from the beam of publicity—that market research organisations, for the most part, supply information about trading conditions and future prospects to advertising agencies. These then use the data to impress their clients (manufacturers, suppliers of a service, etc.). It

follows, therefore, that because advertising agencies work on a commission basis (which is geared, as to profitability, to the overall size of the campaign they have to organise) the bigger the market they can play in the better they like it.

That is why, generally speaking, advertising agencies are operating units predisposed to favour Free Trade policies. That is why, also, numbers of agencies have seen the green light of the Free Trade Area winking in the distance and have concluded co-operative agreements with agencies on the Continent so that their pooled resources can more effectively get to work across the new and freer chessboard of trade.

One of the "pooled" units is PLAN International.

This organisation (originating in Britain) opened an office in Paris early this year, and has more recently extended itself into Belgium with the completion of an arrangement with Publi-Synthèse—one of Belgium's leading agencies.

"We are on the eve of a new era in Europe", stated P-S chief M. van Gehuchten, "in which agency co-operation on the international level will play an important part". He went on to tell those assembled in Brussels to celebrate the PLAN tie-up (they included, significantly, the British and French commercial attachés in Belgium as well as top-ranking representatives of the Belgian Ministries of Economic Affairs and Foreign Trade, along with leading industrialists from the Benelux countries) of the great possibilities that will be opened up with the coming of the European Common Market.

The next move by PLAN will take place when a link is concluded with one of the top six Dutch agencies. The agency involved will be Nygh and van Ditmar and, at the time of writing, only the formalities remain to be carried through. Incidentally, PLAN already has an operating agreement with the Dowd Agency of New York so that it not only spans the Channel but the Atlantic as well. And so far the network has only just begun to be spun. The mesh will assuredly get tighter. For example, it is a reasonable forecast that within the next two months Scandinavia will form a part of it.

The picture in that northern area of Europe is cloudy at the moment by virtue of the feeling among some that it would be best to form a Scandinavian Free Trade Union first and later merge it in the wider European picture. In Norway, for example, that feeling is particularly strong in the Labour Party, and the Minister of Commerce, Mr. Arne Skaug, has gone on record with the observation that his own

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PILCHARDS

BY A FREE TRADER CORRESPONDENT IN CORNWALL

THERE ARE SO MANY INDIVIDUAL INTERESTS in the pilchard industry that the major problem of what is best for the country and the consumers is overlooked. For instance—the canners. Naturally they would like to see every other fish-canning product excluded from sale in this country with the exception of their own product. They hate the idea of imported canned pilchards because it lessens, so they say, their own marginal sales. They also resent the fact that imported pilchards are cheaper than their own. As ever, the personal element comes into it.

The fishermen, what do they say? They do not trouble if South African and Japanese pilchards are imported so long as they can go to sea, which, incidentally, is only a short distance from harbour, and bring back loads of pilchards at 3s. 6d.* per stone, plus 8d. subsidy. They generally have no need to bother whether or not the pilchards are sold. But they have been restricted lately in their catches, which is why now—more than any other time—they are shouting loudly and worrying their M.P.s about it.

Why have they been restricted? There is a certain time of the year when pilchards become "exhausted", which is known in the trade as "spent". They are down in health, and, naturally, not as good as they are during other periods of the year. Canners and fish merchants who handle them realise that to put spent fish on the market in competition with nice selected foreign pilchards is not good for trade, for they are not so luscious nor so fleshy. For example, when a hen is moulting she is not so good as when she is in her ordinary state of health, and when she appears on the dinner-table, is definitely not so tasty. The same applies to a spent pilchard. Canners, therefore, in Cornwall at any rate, decided this year to stop catches for a few weeks to tide over the spent period. This would enable them to can pilchards at their best—oily, fleshy and tasty. We have now passed through the spent stage and the pilchards are now much better. Fishermen dislike a "closed period" because they would have to go in for long-lining, which is harder work, although the returns are good—even better, generally.

All this is why we have heard so much shouting about pilchards during the past few weeks. It must be stated in fairness to the South African pilchards that they are a very, very keen competitive line. They are mostly done in oil, selected, and tasty. The English housewife and her family

like them. They are a work of art. Likewise Cornish canners are alive to this point and want to put the best product on the market to beat the foreign product if possible.

Then again, the price factor is very important. In Cornwall, for instance, women are paid 2s. 6d. per hour for canning. As against this, the fishermen have been paid 3s. 6d.* per stone of 14lbs. Men are paid 4s. 6d. per hour overtime. Tins are dearer today than ever before. So you see the first cost is important when the trade is fighting a product from abroad. The fishermen have done splendidly in the past. For 100 stone of pilchards they would get £20 16s. 8d., and for 1,000 stone £208 6s. 8d., or pro rata—this, mark you, irrespective of quality.

I do not appreciate the point that foreign pilchards are "flooding the market", as some say. The figures given by the Government show that imports are far from "flooding" the market in this country. Take, for instance, the recent announcement that 30,000 cases of pilchards were imported. If this had been 30,000,000 cases it might be a point to work on, but a paltry 30,000 is neither here nor there. It is too small to be competitive. But mountains are being made out of it. The 30,000 cases would work out to be one small tin of pilchards for shops in London, Birmingham, Manchester and one or two other towns as well. And that is far from flooding!

There is great scope for Cornish pilchards. Even in Cornish and other West Country towns there are many shops that do not stock Cornish pilchards. This is due to no intensive distribution. So what?

Finally, the Cornish pilchard is handled by two trade sections—the canners and the curers. The first put them up in tins for retail in shops and the others—the curers—pack them in casks—56lbs. in a cask—for export to Italy.

The trade in Italy is very poor at the moment of writing, and has been so for weeks. There are still countless casks of pilchards in store in that country unsold, due to poor demand, which in turn means that the Italian is becoming more "choosey" in what he eats. He is eating more meat and more of every other kind of food. Consequently the demand for the pilchard is not what it used to be. Then, of course, it leaves the canners with the lot to handle, which is more than can be dealt with, hence the present position of crying for more markets, stopping the foreigner and what not.

*This price had come down to 2s. 6d. by July 12.—Ed.

GOVERNMENT BULK-BUYING (I)

BY "COBDENICUS"

STANLEY BALDWIN once reconciled the irreconcilable when he said, "The diversity of testimony that we have had in this debate only emphasises once more the many-sidedness of truth". How the Socialists will perfom such a feat, namely reconciling their support for a Free Trade Area in Europe with other aspects of their policy, such as the control of the balance of payments by means of a "planned" import programme involving quantitative restrictions, licensing and bulk-buying, remains to be seen. When last in office, their policies of minor expedients bred major crises, and in view of their apparent continued support for such policies, one suspects that like the Bourbon King Charles X, "they have learnt nothing and forgotten nothing".

The purpose of this article is briefly to re-examine the question of Government bulk-buying theoretically and empirically. There is nothing original or indeed controversial about bulk-buying. Private enterprise has long been aware of the economies which may result from bulk-purchase. The point at issue does not relate to the size of the purchases, but to the fact that it involves the State in the role of merchant.

During the war everything was subjugated to the overriding objective of the defeat of the enemy. Ordinary traders naturally lost the free use of transport and foreign exchange. Demand was controlled by the Government, who were frequently the sole buyers of the products of many firms, and price was a secondary consideration. But in peace time, financial considerations must weigh heavily with a country whose economy, such as that of the U.K., is balanced on a knife-edge.

The arguments advanced by the Socialists in favour of Government bulk-purchase are divisible into two classes. First, there are those derived from Socialist text-book theory, and here the emphasis has shifted with the end of rationing, and there are the "practical" considerations.

Socialist Minister of Food, Mr. John Strachey, argued that bulk-purchase was a cardinal principle of the Government's food policy. He advanced the following reasons:—

1. "It would be exceedingly difficult to maintain the whole rationing system . . . if at one point in their procurement (foodstuffs) did not come into Government ownership."

2. " While certain currencies are what is called ' hard ' . . . it would be almost impossible to allow the importation of foodstuffs into this country to be carried out in the pre-war way under private trade".
3. " It would be particularly difficult to play our part in . . . systems of international allocation ".
4. " It would be still more difficult to maintain the policy of price stabilisation by which prices of staple foodstuffs, at any rate, are brought within the reach of all the housewives of this country ".

The Socialists are particularly dangerous because they have become adept in the art of confusion. Each of the points then contained a seeming element of truth, but, in fact, when subject to scrutiny, they were found to be nothing but plausible debating, verbal legerdemain. For example, if the Government is responsible for maintaining a rationing system, it may be necessary to own stocks, but from this it did not follow that it must be the Government's responsibility to scour the world markets to purchase these goods.

With the disappearance of rationing the theorist's case in favour of Government bulk-buying has been weakened, but, currently, new premises are being advanced. Witness the Labour Party's statement on colonial policy; amongst its main features is the proposal to re-introduce long-term bulk-buying. State trading, it is claimed, will guarantee a market for the producer, will assure supplies for the consumer, will obtain those supplies on at least as favourable terms as is possible in a free market, and will keep prices more stable. Finally, with one eye cocked on the electors, dark hints are dropped about the anti-social machinations of speculators on the ' futures ' market and those unutterable middle-men. This latter point may be answered succinctly with a quotation from a speech by Mr. Herbert Morrison in the House of Commons in a debate on the Liverpool Cotton Market. He said, " Speculation is inevitable and I am not making it a moral crime . . . there must be speculation and elements of uncertainty in the matter . . . We are buying ahead and ' chancing our arm ' ".

The mere statement by the Socialists of such propositions proves nothing; neither, indeed, can they be disproved by the mere invocation of orthodox economic theory. It is necessary to examine factual experience.

What, for instance, are the effects of bulk-purchases on price? In the immediate post-war years many long-term contracts enabled the U.K. to obtain food more cheaply.

The Economic Survey of Europe in 1948 listed eight commodities imported into the U.K. from Denmark, Argentina, Australia, New Zealand, Canada and the U.S.A. It showed that " in the greater part of its goods purchases from these countries, the U.K. had been able to hold the post-war price increases to relatively small dimensions compared with the general rise in world prices." This has not always been the case, however, even though there was a general scarcity of foodstuffs and raw materials during these years and resultant rising prices. In June 1946, for example, the Government offered to buy surplus Malayan rubber production at 1s. 2d. per lb. Increased production resulted in lower prices and the Government was left with a substantial quantity of rubber on its hands on a falling market. Similarly, the Raw Cotton Commission lost some £40 million in the post-Korean boom.

Considerable bungling has arisen on occasions when the gentlemen in Whitehall drafted contracts. In 1946 a contract was signed with Ceylon whereby the U.K. was to purchase copra for a five-year period at £3 10s. 0d. a ton. When world prices temporarily rose, the Ceylon Government imposed a 50 per cent export tax, and this remained the case even when world prices for copra declined. Yet commercial prudence would normally have dictated that a clause be placed in the contract to the effect that the export duty is for the sellers' and not the buyers' account.

Government bulk-buying is like a single-wheeled bicycle with but one point of support; if it fails mistakes are magnified and there is a danger of collapse with resultant losses borne by the taxpayer, or by private industry, or by the housewife.

To be continued.

GETTING READY FOR SELLING IN THE FREE TRADE AREA—
Continued from page 4

personal opinion was that a gradual development of a European free market via a Scandinavian free market would be advantageous to Norwegian industry.

All the same, the general opinion in Norway seems to be that the country cannot stay outside any European free market which includes the United Kingdom. And the pure essence of that attitude seemed to be present in the speech made not long ago by Mr. Haakon Christophersen, president of the Norwegian Chamber of Commerce in London. " This new Free Trade movement of the twentieth century ", he said, " was a great challenge, and I am sure both countries will seize the opportunities it will present and that they will not fail to rise to the occasion with vigour and resourcefulness ".

OUR FREE ECONOMY: REALITY OR CLICHE?

BY GLENN E. HOOVER

An address to the Kiwanis Club of Oakland, California, May 6th, 1957, by Dr. Glenn E. Hoover, Professor of Economics Emeritus of Mills College, and member of the Oakland City Council.

THE AUTHOR of the famous chapter on "Snakes in Ireland" began it with this sentence: "There are no snakes in Ireland." And there the chapter ended. As a man of good sense, when he had exhausted his topic, he stopped. If I followed his example, I would tell you that in our over-taxed, over-regulated, over-governed world there are no free economies, and would then sit down to our mutual satisfaction. But now that hair shirts have gone out of fashion, service club members seem to think it prudent to do penance by politely listening to luncheon speakers. And so, to our free economy, which, strictly speaking, is as unreal as a unicorn.

Too many people still believe that our economic system was designed by English colonists who settled here to enjoy the freedoms which were denied them in Europe. With all due respect for our Founding Fathers, that notion is quite wrong. Most of our present ideas concerning freedom were developed on this continent. For instance, the Puritans came here, as some wit observed, "To worship God as they pleased —and make everybody else do the same." In their theocratic government, Quakers, "Papists" and other dissenters were excluded, or treated as second class citizens. The Puritans had their considerable virtues, but religious tolerance was not one of them.

As to economic freedom you may recall that in both Massachusetts and Virginia, the Fathers first established a communistic system. Food was collectively grown and stored in a common warehouse from which it was distributed according to need rather than work performed. "From each according to his ability and to each according to his need" is the slogan which best describes a purely communistic system, and it was such a system that the Founding Fathers introduced here some two centuries before Karl Marx was born. They did so —if I may needle my ultra-conservative friends a bit—because in a normal family group, goods are produced and distributed in the communistic fashion, and they tried first to operate as one big family.

Equipped with our hindsight it is easy to see why their system failed. But the Fathers, though they made mistakes, were not stupid, and they soon corrected their errors. They found that their system provided them with a ration of only a quarter of pound of bread a day per person; the people complained that they were too weak to tend the crops as they should; that although they were deeply religious, they had begun to steal from each other. The Colonists seemed doomed to extinction.

How the Plymouth settlers abandoned their communistic system and established individual initiative has been told by Governor Bradford, in language every American should read. He records that the colonists "began to think how they might raise as much corn as they could . . . that they might not still thus languish in misery."

And so, in 1623, "after much debate of things" it was decided that "they should set (plant) corn, every man for his own particular, and in that regard trust to themselves . . . and so assigned to every family a parcel of land." . . . "This had very good success; for it made all hands very industrious." . . . At harvest time, "instead of famine, now God gave them plenty . . . and the effect of their particular (private) planting was well seen, for all had, one way or another, pretty well to bring the year about, and some of the abler sort and more industrious had to spare, so as any general want or famine hath not been amongst them to this day."

It can hardly be said of the pious Fathers that they practised what is now called "Godless Communism". But they certainly practised Communism, nearly perished of it, and learned a lesson which, apparently, each generation must learn for itself, as we seem incapable of learning from the experience of others.

COMPLETE FREEDOM NEVER ACHIEVED

But if our Founding Fathers soon rejected communism, neither they nor their descendants ever achieved complete economic freedom. In all the colonies there were half-free workers known as "indentured servants", and until the war between the states, most of our Negroes were slaves. Three centuries prior to the New Deal, there were governmental controls of apprentices, prices and wages. As for sins of omission, no government, Colonial, State or Federal, has ever provided a reasonably stable monetary unit, without which a free economy suffers from alternate periods of inflation and deflation.

In this "land of the free", we have never been allowed to buy freely in foreign markets. All governments seem to restrict foreign trade as naturally as a duck takes to water. There is some quirk in our minds which makes us believe such restrictions affect foreign sellers only. We forget that

protective tariffs are designed to enable our privileged domestic producers to exact from us higher prices than would otherwise be possible, and that they do it only too well. Whatever else we may be, we are all consumers, and the freedom to buy at the lowest possible price is, perhaps, the most important of all the economic freedoms. To win this freedom we must recognise that international trade is as much in the public interest as is domestic trade.

In our own country, certain extremists of the right insist that because of the high rates of our income tax, social security program, or a few Federal adventures in the building of multi-purpose dams, we are crossing the divide between Freedom and Socialism. These alarmists, to my mind, are meeting with the public indifference which they deserve. They are simply giving to the word "Socialism" a new and different meaning, and this for the purpose of appealing to our anti-socialist prejudices which they know are deeply ingrained. Those who insist that we are already well on the way to becoming a socialist commonwealth should be sent back to their dictionaries. They are behind on their home work.

In our calmer moods it becomes evident that what we have and will continue to have, is a mixed economy. In many of our communities we have long had what the British Radicals contemptuously called "gas and water socialism." We shall probably have more of it. The people of this area recently voted to create a new government to provide local transportation, and another government may be created to provide rapid transit. Not long ago the citizens of Oakland voted to have their City acquire parking lots to be operated in direct competition with lots now privately owned. This, to me is a socialistic venture, unless words have lost their meaning, but our business community seemed to be for it, and few citizens were frightened by it. Why should they be? For some decades, in this area, we have all been drinking socialistic water, brought to us, very efficiently, by the East Bay Municipal Utility District. Municipal parking lots are just another example of the "down town socialism" that our business leaders demand.

Despite the charge that the Roosevelt-Truman-Eisenhower policies of the Federal Government are "socialistic", almost all of our authentic socialism is to be found at the local government level. The economic policies formulated in Washington are much more accurately described by the French word *dirigisme*, from the French word meaning to

direct, guide or steer. For example, it will be agreed that Washington plays a leading role in determining what farm crops shall be grown, where they shall be sold and the price at which they shall be sold, and this without owning or operating a single farm. The traditional freedom of our farmers has succumbed to dirigisme, not socialism.

Power in the Market Place

Free markets are the core of free economies, and markets are free only if traders are forbidden to exercise monopoly power. The use of monopoly power by the sellers of *goods* has long been forbidden by our States and our Federal government. We frequently argue about the way our anti-monopoly program is conducted, but there is general agreement that monopoly prices for goods, and more recently, securities, are intolerable and must be prohibited by law.

Do the objections to monopoly prices for *goods* apply equally to monopoly prices for the services of workers? On this question opinion is sharply divided and we are all tempted to sweep it under the rug, along with the other questions that are "too hot to handle." However, now that several of our larger unions have the power to shut down entire industries if their wage demands are not met, we may have to examine proposals for limiting such power.

Thus far, much of the argument about trade unions has been cloudy or self-serving, and some of it has been hypocritical and intellectually dishonest. For example, is it logical for union leaders to argue it is impossible to fix a monopoly price for labor because labor is not a "commodity"? And what of our business leaders who profess to "believe in unions" but are enraged whenever they strike, or in any other way use the power for which they are organized? Can our industrialists believe that it is all right for unions to have power, provided they seldom or never use it? How far they are from Lord Acton, best known for his adage: "All power tends to corrupt, and absolute power corrupts absolutely." Although he was always a practising Catholic, he abhorred power so much that he would deny it to the leaders of his church. What he would say about entrusting power to some of our most publicized union leaders must be left to the imagination.

The Role of Pressure Groups

Political power may be as great a threat to a free economy as is economic power. To illustrate, the farmers have little economic power, because they are too numerous to organize effective monopolies and their interests are often divergent

if not conflicting. For example, the cattle and poultry men want cheap feed for their herds and flocks, and the producers of such feed want high prices for it. The so-called "Farm Bloc" can never be more than an unstable alliance of smaller monopolistic groups. Were it not so, the nearly 90% of our people who are non-farmers would be victimized even more than we are by our government's agricultural programs.

The farmers of course can, and do, remind us that in calling in the government to help them avoid the rigors of a free market economy they are only following the example of our industrialists. They insist, quite naturally, that beginning with the first Congress laws were enacted to "protect" our industrialists from their foreign competitors. From that day to this American consumers have never been permitted to buy freely from foreign suppliers, and have thus paid higher prices than they would have paid in the absence of governmental interference.

The pressure group technique has spread rapidly. The public treasury is now fair game for ship builders and ship operators, air lines, home buyers, pensioners, veterans and that amorphous but politically appealing group, the "little businessmen". State and local governments got into the act by demanding Federal assistance in the building of local roads, airports, sewage disposal plants, and schools. Recently, the "under developed" countries have joined the receiving line, asking their "fair share" of the inexhaustible supply of dollars which the Washington magicians are to conjure up.

To illustrate the profound change that has taken place in our thinking about the proper role of the Federal Government, let me quote President Cleveland's message to the Congress, dated February 16th, 1887:

"I return without my approval House Bill No. 10203, entitled 'An act to enable the Commissioner of Agriculture to make a special distribution of seeds in the drought-stricken counties of Texas, and making an appropriation of ($10,000.) therefore.

"It is represented that a long-continued and extensive drought has existed in certain portions of the State of Texas, resulting in a failure of crops and consequent distress and destitution . . .

"And yet I feel obliged to withold my approval of the plan, as proposed by the bill, to indulge a benevolent and charitable sentiment through the appropriation of public funds for that purpose.

"I can find no warrant for such an appropriation in the Constitution, and I do not believe that the power and duty of the General Government ought to be extended to the relief of individual suffering which is in no manner properly related to the public service or benefit. A prevalent tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that though the people support the Government the Government should not support the people . . ."

Some of you may find President Cleveland's notions a bit old-fashioned, but he had a combination of gumption and courage that is never too plentiful in political circles. Here was a Democratic President, standing on principles, refusing to use tax revenues to buy a few measly seeds for drought stricken farmers in a Democratic state. That was only seventy years ago, a short time in the life of a nation, but time enough for our government's policies to be changed almost beyond recognition.

Obstacles to a Free Economy

A major explanation of our failure to achieve a completely free economy is that too many of us do not know what a free economy is, nor the steps to be taken if we are ever to have one. For example, our relative prosperity is too often explained by our "unlimited resources", our "American Know How" or the diligence of our workers.

The notion that North America is better supplied with natural resources per square mile than is Western Europe is one of those persistent myths which economic geographers have not been able to destroy. Even if North America were more favored by nature than the other continents it would be something for which we should be humbly grateful rather than pretend that it was we who made it so.

As to our vaunted "Know How", the notion that our production techniques are unknown to Europeans is quite untenable. There is no "iron curtain" which prevents such knowledge from flowing freely across the Atlantic. As for the diligence of our workers, that may help explain why we are more prosperous than some countries, but it will not explain why we are more prosperous than the peoples of Northern Europe, the only region with which comparisons should be made.

The economists whom I respect believe that our relative prosperity is chiefly due to the fact that our economy operates within the largest free trade area in the world. Goods move freely from any part of the United States to any other part, without tariffs, currency controls or any sort of governmental

interference. This enables production to be concentrated where conditions are most favourable. A free market of continental proportions has brought forth our mass production industries in which the division of labor can be carried farther than in any other country, and for this reason the *per capita* productivity of our workers is the highest in the world.

What even a limited freedom can do for a nation's economy has been clearly demonstrated here and in Canada for several generations, and, more recently in Western Germany. With such examples on both sides of the Atlantic it would seem that the under-developed and over-socialized countries could make an easy choice between free enterprise and collectivism. However, the uncommitted peoples will be confused as long as we attribute our economic achievements to our natural resources, our "know how" or the unusual diligence of our workers, instead of our free market, free enterprise system.

Those who ignore how freedom has contributed to our prosperity recall the old quip that Columbus, when he sailed from Spain, did not know where he was going; when he got there he did not know where he was; and when he returned did not know where he had been. There were obvious reasons for the ignorance of Columbus, but those who misread our history have only themselves to blame.

Conclusions

It is now accepted doctrine that the "cold war" is not to be the prelude to a hot one, but is primarily a struggle for men's minds. In view of the weapons now available to both sides, we must keep the struggle on that level if there is to be much hope of survival. What are the two ideologies now competing for world favour? As I see it, the choice which humanity is making is essentially between two economic systems, one based on the freedom of the individual and the other based on government ownership and control.

Certain groups, perhaps best represented by the Catholic Church, believe the struggle is essentially a theological or philosophical one, with Christianity arrayed against what is called "Godless Communism." However, with all due respect for those who hold this opinion, I believe the outcome of the "cold war" will be determined chiefly by the world's opinion of the merits of the two economic systems involved.

What we are witnessing may be called a Great Debate of world-wide proportions, and we are more likely to win it if we stress our economic differences rather than our theological ones. We are living in a scientific age, and the Western

World abounds with agnostics, rationalists and others who have little interest in religious controversy. They, together with the non-Christian millions of Asia and Africa, will remain indifferent to a conflict represented to them as one between Christianity and Rationalism. To state the issue in these terms might well foredoom our efforts to failure. If we are to convince the world that free enterprise is preferable to socialism, we must first understand these systems better than we now do. Repeating the cliché that the issue is between a slave economy and a free economy is not enough. In the Western World, including our own country, there is still so much of government ownership and control that our talk of freedom has a hollow sound.

From propaganda by word we must switch to propaganda by deed. For example, we must cut our agriculture free of the strangling controls which restrict production, deprive our farmers of foreign markets and take from us as consumers and taxpayers some billions of dollars each year. We must also undertake the gradual elimination of all governmental restrictions on international trade until it is as free as domestic trade. Acts such as these will do more to convince others that we are committed to a free economy than will any amount of costly propaganda.

Finally, to achieve a completely free economy we must give more thought to the essentials of it than is now the fashion. Too many of us assume that we have finished the job, and we go about exchanging clichés and congratulations with each other, instead of observing how far short we are of the mark. Too much of the propaganda for our way of life seems designed for minds that are receptive to our "singing commercials". To achieve and maintain freedom, in economics or any other field, will require more intellectual effort than we have thus far given it.

EVILS OF PROTECTION

BY PAUL DE HEVESY

A FREE MARKET is one in which prices freely compete and the same commodities have the same prices, except for variations due to quality and to cost of transport. Socialism is adverse to price-competition and favourable to official price-fixing at levels high enough to ensure a profit even to the high-cost and the inefficient farmer, manufacturer, and trader, who, thus kept in business, render living more expensive than it need be. This is why, in all countries behind the Iron Curtain, all prices, which are fixed by authority, are much higher than those that result from price-competition in the free countries.

Some politicians assert that the abolition of customs barriers between Great Britain and Western Europe will reduce the British worker's standard of living to that of the lowest-paid worker on the Continent. They assume that goods produced by lower-paid workers must be low in cost and hence in price. The error of this assumption is exposed in the case of rice, which is produced in Australia, where wages are the highest, as well as in Japan, Burma, India, Ceylon, and Indonesia, where wages are the lowest; yet the cost of producing rice is lower in Australia than in any of these Asiatic countries.

Since the working of the free-trade system is unfamiliar to many people, it may be useful to submit for their benefit the following example.

Suppose that the world constitutes one single market and that the cost of producing wheat ranges from five shillings a bushel in one country up to twenty-five shillings a bushel in another. If the total needs of the wheat-importing countries could then be satisfied with wheat grown at, say, five, six, and seven shillings a bushel, there would be no opportunity to export any wheat grown at a cost above seven shillings. Since cost of production varies not only from country to country but also from farm to farm in the same country, under the system of free trade some of the high-cost producers would grow less wheat and some of the low-cost producers would grow more. This argument is applicable as much to industry as to agriculture.

Today many wheat-importing countries are subsidising their producers to grow more wheat when they could buy higher-quality wheat (and store it for security purposes) from abroad more cheaply. At the same time, some wheat-exporting countries are subsidizing their producers to grow wheat that can be exported only at a ruinous loss. Will the long-suffering citizen, in his double capacity of taxpayer and consumer, be disposed to go on for ever paying extortionate taxes and prices?

It would be a good thing if, by gradual stages, British agriculture could be subjected to the competitive pressure of Continental agriculture, which, in its turn, should be subjected to that of the British Commonwealth. This aim could be accomplished if the overseas members of the Commonwealth could be persuaded to join the customs union of Great Britain and Western Europe. This policy would initiate the process of eliminating both the high-cost and the inefficient producer. Some subsidization might be temporarily maintained.

While this economic trend would ensure the material prosperity of Great Britain and the other countries of the Commonwealth, it would also be of substantial benefit to the United States and Russia as well as to the other countries of Europe.

A CUSTOMS UNION AS AN APPROACH TO FREE TRADE

BY LYNDON H. JONES

MANY CUSTOMS UNIONS have been formed, or proposed, by European States, and on occasion, in other parts of the world. Currently, strong support is again forthcoming for this idea, and the question arises as to what attitude should the Free Trader adopt.

The Customs Union is a strange phenomenon—it attracts support from both the Protectionist and the Free Trader. But in view of the fact that the Free Trader and the Protectionist, in their reasoning about international trade, start from different premises, their support for a customs union must arise because they see in it different advantages.

A customs union may simply be trade-diverting, in which case a Free Trader would oppose it. Assume, for example, that there are three countries—A, B and C. Country A purchases a certain type of article, X, from country C. Country A then joins country B in a customs union, and they have a common external tariff. Country A now buys article X from country B, because the price of article X from country B is now cheaper than the same article purchased from country C plus the duty imposed when it is imported from country C. This shift in the locus of production, from a low-cost to a higher-cost point, has resulted from a subtle protectionist device whereby a tariff is reduced but additional protection results.

On the other hand, a customs union may be trade-creating. In this case the shift in the locus of production is a shift from a high-cost to a lower-cost point. Such a move should be welcomed by a Free Trader, even if the adoption of universal Free Trade would have led to the diversion of production to sources with still lower costs. There has at least been a step in the right direction.

With this analysis to serve as a guide, Free Traders should ask, "What conditions require to be fulfilled by the proposed Common Market in Europe for it to receive our support?"

Amongst the favourable points is the proposal for a Free Trade Area—the larger the unit, the greater will be the scope for internal division of labour. Further, the area involved is one in which, in the main, the economies are competitive and not complementary. The greater the differences in unit-costs between the same industries in different member-states of the Common Market, the greater the potential economies to be derived from free trade in those commodities.

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"FREE TRADER" BOOK SUPPLEMENT

GODKIN, GAITSKELL AND CO-EXISTENCE

A REVIEW BY ROGER FULFORD

The Challenge of Co-Existence. By Hugh Gaitskell. Methuen and Co. 7s. 6d.

THESE ARE THE THREE GODKIN LECTURES delivered by the Leader of the Opposition at Harvard University during last winter. Mr. Gaitskell's publishers would have done well to remind his readers of a few facts about Godkin—the great Irish Radical Free Trader who did more than most men to combat the growth of political folly—a growth with all the rankness and speed of ragwort—by which the American mind is perhaps especially afflicted. Godkin died in 1902, and though the *Nation*, which was his paper, was the official mouthpiece of the Mugwumps, he has been admirably called "one of the very best antiseptic elements in American public life". Mr. Gaitskell's patient audience at Harvard might well be described as waiting for Godkin. But the shade of that formidable patriot never emerged.

Although the contrast between Godkin and Mr. Gaitskell is unfair—because there has been a general decline in the quality of political thinking over the past 60 years—it is inescapable. Our minds have been treacled by the soothing syrups of Socialism and paternal Toryism. There is in consequence a noticeable lack of authority in what Mr. Gaitskell has to say: we all recognise that a party leader, especially when he is speaking in a foreign country, must to an extent be muted. Mr. Gaitskell therefore falls back on such phrases as "there is a strong consensus of opinion in Britain in favour of our joining the Free Trade Area" or "I cannot emphasise too strongly the painful impression which will be created in Britain if the United Nations shows weakness". Not unlike Mr. Disraeli, the Leader of the Labour Party seems to think that a majority is always the best repartee. And there lies the danger of mass electioneering in that it gives the political leader a feeling that there is some peculiar virtue—some sustaining strength—in being on the side of majority opinion. In other words, Mr. Gaitskell gives the impression that the greatest weapon for a party leader is to express the weight of opinion and not to form it and guide it. We look in vain throughout those passages for a clear statement of what the leader himself feels or what his party feels. Perhaps that point especially strikes the student of political history, but it is a point which needs to be made with emphasis.

But having made that criticism the reviewer can certainly commend these lectures as a thoughtful survey of international difficulties—analysed with perception and sincerity, appropriate for informed opinion both here and in the United States. All who know and admire the Leader of the Opposition always enjoy his capacity for stating a problem with the studied fairness of a mind trained in the long tradition of English scholarship. He is extraordinarily good in depicting the flowering of the Russian mind under the stimulus of education, and in suggesting how the iron bands of despotism may begin to loosen as thinking about science may lead Russian citizens to think about politics. He also gives us a sombre reminder that co-existence—the relationship between the U.S.S.R. and the rest of the world—is not necessarily a new and hopeful portent but is, as Lenin taught, a phase of history which is purely tactical and temporary. He is again absolutely right to remind us that the rock against which the League of Nations foundered—and against which the United Nations is in danger of being smashed—is a belief that world government exists, when in fact it does not. The syren voices or soothing pills lead mankind to believe that what they vaguely hope to be true has been achieved. Mr. Gaitskell rightly points out that existing relations between different countries make any advance in the direction of world government extremely difficult. And he is certainly and refreshingly in line with the liberal tradition to point out the connexion between parliamentary democracy and progressive colonial politics. An illustration of this could be taken from the struggle for women's suffrage, since one of the arguments used by opponents of the vote was that it was inappropriate to give women the franchise in a country which had great imperial responsibilities in the East where the rights of women were scorned. A people which accepts political equality at home cannot insist on governing other nations. There, as Mr. Gaitskell says, lies the palpable contrast with Soviet Russia. The present political stature of nations in Eastern Europe makes a depressing contrast with territories, formerly British, in the East and in Africa. The political freedom of these former "colonial" nations—not their bond with this country—is the vital point. As Horace Walpole noted two centuries ago, "If England is free, and America free, though disunited, the whole earth will not be in vassalage."

LORD CHANCELLOR BROUGHAM

A REVIEW BY G. P. GOOCH, CH., F.B.A., D.LITT.

Henry Brougham. Frances Hawes. Jonathan Cape. 25s.

THE NAME OF BROUGHAM lingers vaguely in the public memory as the champion of Queen Caroline, the designer of a small one-horse carriage familiar in the London streets before the motor car, and the discoverer of the French Riviera as a place of residence. But students of nineteenth century England need to know a great deal more than that about one of the most brilliant figures of his time, orator, barrister, publicist, historian, law reformer, pioneer of education, enemy of slavery and a pillar of the *Edinburgh Review*. No man of his age approached him in the variety of his accomplishments and activities or surpassed him in the zeal with which he strove for the causes he had at heart. That he had grave failings no less than fine qualities, that he was extremely difficult to work with, that he exasperated his Whig colleagues beyond endurance, should not prevent us from respecting a doughty champion of the common man in the era of Lord Eldon when the shock of the French Revolution had filled timid souls with a pathological dread of change. It is the supreme merit of this admirable biography that it does full justice to the ideals and the services of this remarkable man. 'He knew a great deal about a great many things, he knew something about almost everything, and he spoke in practically every important debate for over fifty years. He could do nothing half-heartedly. His questing mind and abounding energy made him the most vivid of companions.' His biographer enables us to visualise 'the tall ungainly figure, ugly, brilliant, unreliable, maddening; to some intensely lovable, to all intensely interesting. They were awed by his immense capacity, infuriated by his meddlesome energy, deeply distrustful of his restless ambition. They quarrelled with him and admired him, ridiculed him and were charmed by him, hated him or loved him, but never could they ignore him. It has been his fate to be judged by his antics rather than by his acts. His eccentricities often bordered on insanity, indeed there were times when he was hardly accountable for his actions; but if he never kept a political friend, he never kept a private enemy. The surface of the unquiet sea of his personality was broken by squalls so unpredictable and so fierce that men were afraid of it; but underneath these stormy waves was a deep current of warmth and humanity, of hatred of oppression and love of justice.' That is a masterly analysis of a singularly complicated character on which new light is thrown by the discovery of Lady Brougham's journal.

The story of the young Scottish lawyer, the contributor to the newly founded *Edinburgh Review*, the young Member of Parliament who made his way to the centre of the stage by his eloquence, industry and reforming enthusiasm, is told in a series of chapters in which the central figure is so dynamic that our interest never flags. The most exciting phase of his career was his rôle as legal adviser to Caroline of Brunswick, the impossible wife of an impossible husband, to whom the longest chapter is rightly devoted; for to his eloquence was due the withdrawal of the Bill introduced in the House to dissolve her marriage. Here the author's talent for portraiture finds full scope, since Caroline was scarcely less a bundle of contradictions than Brougham himself. To know the eldest son of George III as Prince of Wales, Prince Regent and King is to pity his wife. To know Caroline is in some measure to sympathise with her husband who on first sight of her exclaimed in horror: 'Harris, a glass of brandy.' She had few friends and hardly deserved to have them. 'Whigs and Tories tried to use her for political ends. People took up her cause, not because they loved Caroline but because they hated George. There was something about her that contaminated everyone with whom she came in contact. She had no dignity, no reserve, no sense of fitness. She made vulgar jokes. And her clothes! Yet she had her virtues. She was generous, good-humoured, not unintelligent and had plenty of courage.' It was difficult to believe that she had been brought up as a lady in a palace, not as a slut in a slum.

Whether she and her Italian factotum Bergami were lovers we cannot be sure, but few observers of their uninhibited intimacy felt any doubt. Mrs. Hawes thinks it probable, but wisely leaves the issue as undecided as the relations of Mazarin with Anne of Austria and of Fersen with Marie Antoinette. Her unhappy daughter, Princess Charlotte, who was in the best position to pronounce judgment, leaves little for the historian to add. 'My mother was bad, but she would not have become as bad as she was if my father had not been infinitely worse.' Though Brougham did his utmost, 'he had neither affection nor respect for her—indeed it would have been impossible to feel respect for either of the 'Primnies'. But as her adviser he was prudent and dignified. He did his best to save her from herself. She was as incapable of inspiring real loyalty as she was of feeling it.' Very different is the picture of Princess Charlotte, whose recently published correspondence with her bosom friend Margaret Elphinstone reveals a spirited, affectionate and intelligent girl who deserved a better fate. Caroline's attempt to enter Westminster Abbey at the coronation of her husband is a familiar story, but we need not break our hearts over her failure. That she died soon after this public humiliation was the best that could have happened for herself and for the prestige of the Monarchy.

From 1820 for the next two decades Brougham was a national figure of the first rank. No one has done so much for popular education as the man who with Birkbeck founded the Mechanics Institute, now Birkbeck College, the father of the Society for the Diffusion of Useful Knowledge, the chief architect of London University, the first undenominational institution at a time when Oxford and Cambridge were still Anglican monopolies. No less fruitful was his work for the abolition of slavery: the hideous slave trade had gone but slavery remained. He had written about it in his first book, the big treatise on *Colonial Policy*, and when Wilberforce was growing old Brougham and Fowell Buxton inaugurated the Anti-Slavery Society and never slackened till British possessions were cleansed from the foul stain. A third crusade was for the reform and humanisation of the law begun by Bentham and Romilly. His steady support of Canning's foreign policy was deeply appreciated by the most liberal of the Tory team. He had little in common, ideologically and temperamentally, with Grey, a timid Conservative at heart. 'The Whig party was the only medium through which Brougham could work, but he never wholly accepted the Whigs any more than the Whigs accepted him.' He was, in spite of his genuine kindness and friendliness, temperamentally unfitted for team-work either as a leader or a colleague. So Lord Althorp, an amiable mediocrity who detested public life, became the leader in the Commons.

Brougham's finest hour arrived when the Whigs were called to the helm in 1830, and 'the most powerful and popular man in the country' became Lord Chancellor in the Grey Ministry which inaugurated what we call the Era of Reform. His first task was to sweep the cobwebs from the antiquated Court of Chancery where Eldon had let things drift. In the opinion of the author his share in piloting the Reform Bill through the shoals has been underrated, for he had more drive than almost any of his colleagues and resisted thoughts of compromise with the obstructive Lords and the sulky King. 'He evidently considered himself at this time as the only strong man in the Government.' His arrogance was becoming past bearing. Several of his friends and colleagues thought him a little mad, and the *Times* raged at him. Grey had put up with him, but Melbourne, a tolerant and kindly person, reluctantly declined to have him in his Ministry on the ground that he was no longer quite normal. Mrs. Hawes

quotes a cloud of witness to his pathological condition and observes in her quietly decisive way: 'Obviously he was not quite sane.' Henceforth he was a political Ishmael, as she calls him. The House of Lords always filled up to hear him, but the *prima donna* period was over. In the words of Melbourne, to which the historian has nothing to add, 'his talents were too brilliant and powerful to make him content to follow, and he had not judgment and discretion enough to enable him to lead.' The last thirty years of his life gave him more leisure to write, and his sketches of the statesmen of the reign of George III are almost as indispensable to students as Johnson's *Lives of the Poets*. He spent more and more time at his beloved Cannes, where he died in 1868 in his ninetieth year. It would be difficult to overpraise the fairness, charity and sanity of this record of a human meteor.

TAYLOR OF BATLEY

Taylor of Batley. George A. Greenwood. Max Parrish, 18s.

A REVIEW BY JO GRIMOND, M.P.

THE VERY OLD are not venerated quite as much in Britain as in China, but pretty much nevertheless. Mr. Taylor lived to be 102. But unfortunately he did not lead a life of wild excitement—or at least he has not left material for a wildly exciting biography. The biographer feels that he must not admit this. He impresses on us the perfection of Mr. Taylor's faculties, his humour, character and ability. He tells us that he was a symbol and a symptom. He speculates on the interesting people he might have met. "He was toddling about his nursery when Charlotte Bronte was visiting her friends only a mile or two from his home". But she did not call. As a young man he stayed in a house party with Sir William Harcourt's son and a woman who probably was —but may not have been—Lily Langtry. "How much more one would like to know about what transpired that week-end in such a company," exclaims Mr. Greenwood. Well, possibly we would, but we don't and, alas, speculations about what Mr. Gladstone would have said to Mr. Taylor had they met is not the stuff from which biographies are made.

In spite of Mr. Greenwood's best efforts the dominant impression left by this book is that Mr. Taylor succeeded in living a life of remarkable placidity despite two world wars and not a few other changes. Not for him ulcers and worry. Not for him even any good cracks for posterity. The oldest Turk in the world after taking his first flight in an aeroplane round about 1930 did make the memorable remark that he could remember nothing so exciting since Waterloo. Mr. Taylor never rivalled that. He was no more a symbol or a symptom than thousands of other manufacturers, many of whom fortified by faith, servants and the pious veneration of their families lived to considerable if not Taylorian ages. The whole point about them was that they did not consider it essential to be witty or eccentric. They were not original thinkers nor acute critics or reporters.

Mr. Greenwood assures us that he has continually to resist the temptation from quoting Mr. Taylor's brilliant accounts of his travels. Again, he seems to feel that loyalty demands that he should endow his subject with a touch of Evelyn Waugh. But it is to Mr. Taylor's—and to Mr. Greenwood's—credit that the subject won't respond. From first to last Mr. Taylor remains solid, conscientious, God-fearing, strait-laced—and why not? It is a compliment to the book to say that the very limitations which deprive it of brilliance or entertainment bring out the dominant characteristics of Mr. Taylor and his age. It is worth while reminding us how ours differs mentally as well as materially from that of Mr. Taylor.

But I must confess to disappointment in Mr. Greenwood's treatment of J. T. & J. Taylor's profit-sharing scheme. The scheme is described in a short appendix and of course frequently mentioned in the body of the book. But there is little attempt to assess its results. We are told that in all nearly £3,000,000 was allocated out of profits to the Workers Benefit Fund. We are told of how greatly he was liked and respected by those he employed. But many other manufacturers who have not forgone anything like this sum were and are loved and respected. Other works have been free from strikes and friction. What did the scheme achieve? Did the workers appreciate it? Did they show peculiar concern for the prosperity of the business? Mr. Taylor was an incorrigible lecturer and pamphleteer. Every year he gave an address on economics at the Annual Meeting. According to Mr. Greenwood the results were meagre. "People heard and read but still they did not act, excepting perhaps in those few stray cases which had no real bearing upon the industrial system". It is a bleak conclusion on sixty or more years of incessant and generous effort. Were the beneficiaries as unmoved as the world at large?

The system which Mr. Taylor devised in 1892 gave two classes of benefit—a dividend in cash or Government securities or shares and a bonus on wages and salaries sometimes given in shares or government stock. The share capital of the Company was divided into 'A' shares held by Mr. Taylor's family and 'B' shares held by Trustees for the worker who received trust certificates for their interest. Two points should

be noted: the 'B' shares gave no voting or management rights, and the certificates were not transferable and could only be turned into cash by surrender to the Trustees—a surrender which it was in their absolute discretion to accept or refuse. It seems therefore that the scheme was not a co-ownership scheme at all and any conclusions as to the value of co-ownership can only be drawn from it with great caution. What Mr. Taylor believed in and practised was profit-sharing. His long enthusiasm for it must have provided an invaluable pilot-scheme. In any subsequent edition of this book Mr. Greenwood should expand some of his own and his subject's conclusions on its results.

The other great cause of Mr. Taylor's life was his war on opium. In his campaign against the scandalous Agreements forced on them at bayonet-point by which the Chinese were forced to trade in opium for the benefit of the Indian Revenue Mr. Taylor's valiant efforts were eventually successful. It is a story wholly to his glory and to the discredit of the Government who opposed him. It is a warning to all who may be swayed by arguments of compromise, expediency or sheer conservatism to oppose what they know to be right.

This book should be read: read in particular as a tribute to a Victorian, as an introduction to the study of industrial methods and profit-sharing, and as the story of a Liberal manufacturer and back-bencher. Not too much, however, should be expected. For the general reader it forms a starting point rather than a complete study of the development of industry over the last 70 years.

"VOICE FROM THE PAST"

A REVIEW BY DR. JOHN MURRAY

Voice from the Past. Pall Mall Press. 1s. 6d.

THIS PAMPHLET was discovered recently in an old deed-box at the Launceston Liberal Club. Amateurs of handwriting will thank the publishers for the suggestive facsimile of the author's hand on the cover. Acute, strict and forceful I imagine him to have been, a man of principle, and a fighter. The attribution of the pamphlet to Mr. Richard Robbins need not be disputed. Launceston is unlikely to have counted among his contemporaries another of his calibre or of his gifts for politics and controversy. In his long life, from 1817 to 1910, he saw vast changes in Britain, many of them the work of the statesmen he revered, above all Cobden, Bright and Gladstone. He revered them as the creative authors of many changes and as the pace-makers in much else.

If Mr. Robbins has a sharper sense of anything than of Liberalism it is of the essential Toryism of his heroes' opponents. He describes it as so stable, so uniform, so blindly stout-hearted in causes he disapproves that these qualities of the enemy, odd as it sounds, may be counted to them as a sort of righteousness. An Italian statesman of recent times complained that in his day Italy lacked an indispensable condition for the emergence of a strong progressive party, namely, a strong Conservative party. This requisite the British Liberals of last century never lacked. It is a tempting question whether the present eclipse of the Liberal party is not due in a measure to the absence of a truly Conservative party such as existed sixty or seventy years ago.

Some Liberals think of the Victorian age as a golden age: and there is much in contemporary life to excuse their looking back longingly towards the past. But their nostalgia deceives them. Liberalism asserted itself slowly and painfully. It was not at the time so readily identifiable as those who are wise long after the event are apt to think. And not all the evils of the time were of the kinds that political action could remedy. Mr. Robbins bears witness, for instance, to the brutality of games and punishments, to the bad water-supply and the primitive sanitation, to the delays and hardships of travel until the railways were built, and to the pedantic oppression and insistent privilege of the "better" classes and the sufferings of the poor. The Municipal Act of 1835, he notes, opened the way to improvements in the immediate environment of life. The Act enabled localities to borrow for such purposes, and its effects in the ensuing 122 years are beyond reckoning.

During most of the vaunted Victorian era of Liberalism Britain was an uncomfortable country for most of its inhabitants, and for some of them an inhospitable and cruel home. Let us not embark on commiseration, or on apportioning blame. Comfort had never prevailed in Britain: amelioration, such as it was, came slowly and irregularly. Life had gone on, nonetheless, and enough of the population, hardy and courageous in the main, had found it tolerable. Having known nothing other than the conditions into which they had been born, they expected little, too little from life. For many of them, for too many life was summed up in survival. The fullness and the richness of life were out of their reach, and out of their thought. The immemorial ages of their past had toughened the breed. And many went overseas, taking their life and destiny in their hands—with what portentous results in dependencies, colonies, dominions, trade, wealth and world-wide influence history is steadily unfolding.

The nineteenth century inherited the various difficulties that sprang from the expansion and its attendant wars in the eighteenth century, and especially from the long struggle with France and Napoléon. At home the country suffered from the welter and confusion of the industrial revolution and the gross incidental mischiefs which its hasty onset occasioned. The vaunted Victorian age was little better than a cockpit of multifarious discontents and grievances and quarrels and fights. The rocks of offence reared up on every side—privilege, favouritism, repressive artifices in law and custom, vetos and checks that for the modern age were but the inspirations of false theories or downright tyranny or greed. These evils spread frustration and resentment, here by chronic pin-pricks, there by slashing blows, and there again by numbing pressure. It became steadily clearer through the fog of politics how these troubles must be cured, namely, by active enlargement of freedom. A pealing voice proclaimed it with growing confidence and authority, the voice of Gladstone, "the People's William". He preached and practised liberation, and conjured up a new belief in it. His prophetic eye ranged forward far beyond his own time and the days of his power. He succeeded where many prophets have failed—in acceptance in his own country and his own age.

Our age seems very different superficially from that of Gladstone's pioneer campaigns. But how different is it in fact? For what have we exchanged the physical severity, the senseless deprivations, and the palpable oppression of his time? The growth of the population has turned Britain into a congested area. The increased numbers living at close and ever closer quarters suffer the agitations of an incessant nervosity, that deludes some observers by the unwonted shapes it takes. The consolations of solitude are ours no longer. Instead we are entangled in groupings that compete and clash, and exact burdensome loyalty and service. We have become too much members of one another. We are "other-determined" at the expense of ease of mind and even of full individuality. A deep *malaise* has invaded the body politic, a *malaise* that contradicts the semblance of prosperity and security which the Great Machine of the Welfare State sheds on the land. All goes well, while the Great Machine goes well, but no longer. If the Machine fails, no man by any private diligence can hope to avert or cure his trouble, but only by a concurrent cure of all men's troubles, which is a sharing out of miseries. The most alarming sign is that prices rise and the pound sinks, with all the incidental mischiefs of inflation, such as incessant demands for higher wages. The country's fortunes appear to be headed for ruin. How the specious modern practice of managing the currency by the emission of paper will end is not difficult to imagine.

Parliament now rides such a full tide of legislation that the old saw *ignorantia legis haud excusat* has become evident injustice. Once passed, laws breed sub-laws and orders, for the administration of which hordes of officials are recruited, and are paid, housed and equipped at vast expense. Ministers of the Crown usurp the functions of the Courts of Law, and discharge them through underlings. Justice decays, while arbitrary powers expand under the sanction of laws that are not rooted in their proper soil—the common conscience of citizens. The individual's rights are not safe, nor his savings safe in the decline of the currency, nor his earnings safe from the voracity of tax-gatherers. The life of Britain is soured and endangered by deadly risks through the mania of Power, though the multitude thinks that the Power is exercised, as through the Great Machine, for their lasting good and security.

There is need for the Labours of a Hercules in Britain today, to undo the follies of ignorance, to stem the ruinous trends, to cut away the incrustations of new privilege, and to win the people for sober truth. There is need for unsparing thought and a resounding voice, for a man, for a group that will serve Britain now as Gladstone did in the last century.

THE MEANING OF FREEDOM

A REVIEW BY WILFRED ALTMAN

THE TORCH of Western civilisation is in danger of total extinction. A small minority struggles to keep it burning, to hand it on still alight to a generation now arising that knows no other life than that of rules, regulations, licences, bans, fixities, statuses and rigidities.

That is the theme which runs persistently throughout a paper contributed by Mr. Graham Hutton, one of six essays under the title *The Meaning of Freedom*.

"It is a great duty," Mr. Hutton stresses, "a great service and a great responsibility, which that small minority in Western Europe is called upon to fulfil. Their cause—and Liberals themselves—may temporarily fail. But it remains the cause of personal freedom, development and self-expression, of human progress: of individual values that every man may sense and fix for himself. Without this freedom, this humility, this tolerance, this liberal humanitarianism, I see no worthwhile future before Western Europe, only a *back*sliding to Darker and Darker Ages."

To those theoretically liberal-minded who are socialists in practice, Mr. Hutton offers a timely warning on the paradox of the socialist paradise. It is that greater freedom, both economic and personal, is promised by a party that claims to hold the higher estimate of human personality and of its potentialities.

"Yet in practice, because that practice abandons principle for expediency, the citizen must be more controlled, more obedient to the State, more conformist, in a word and oddly enough, more conservative than ever before!"

A similar theme, embellished with another timely exhortation, is advanced by Lord Reading. Invoking Burke's dicta that "the people never give up their