BRITAIN & OVERSEAS

A DIGEST OF NEWS AND VIEWS ON BRITAIN'S ECONOMY
AND OUR ROLE IN OVERSEAS TRADE AND PAYMENTS

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Editor : Edward Holloway

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THE OPPORTUNITIES FOR THE PRIVATE SECTOR OF BRITISH INDUSTRY IN THE FUTURE

Summary of a talk by J. H. Harvey-Jones, M.B.E., *Chairman of ICI to members of the Economic Research Council on 6th March 1984.*

Mr. Harvey-Jones began by briefly referring to his war experience as a Royal Navy officer (sunk twice, then service in submarines). He said that he felt a disinclination to speak outside one's own experience.

ICI had a window on the world — manufacturing in 40 countries, selling in 64. It was essential to find and serve the highest quality customers — mainly industries. The needs for the best customer base are founded on: (i) the necessity to stretch demands upon the company; (ii) the security of supplying the best customers with a long-term future; (iii) if you can sell to the best you have a better chance of selling to the rest; (iv) we have a window on tomorrow's developments and the pattern of future business will be partnerships between customers and suppliers. We aim to be chemical problem solvers for the world.

The problem was to apply technology on a world basis and this was difficult to achieve when the UK market was only 5% of the world total. They had sought out the best customers across the world, those who would survive in a fast-changing world. A company was only as good as its people, building the kind of partnership that would create tomorrow's world. ICI's business in this country was a small percentage of their total business — and when the sterling foreign-exchange rate recently went down, they lost a number of customers — though they were now selling more overseas.

Need for Change

To expand in Europe by finding the best customers, ICI had to change, *e.g.* billing methods and to improve reliability in deliveries. It took four years to get Volkswagen as a customer. The only basis for the future was to be technically the best, have the most modern plant and best customers, and sell worldwide; to be the most innovative, the lowest cost producer, to lead in distribution and speed of response in the market place.

In this country the size of the indigenous market and the exchange rate were problems. Our shoe industry had only just managed to recover and survive. We in the UK were still good innovators — but innovation was too seldom linked to marketing. ICI had to look for the "ratchet" effect (the best producing more) outside the UK.

In the UK many felt that it was industry's job just to employ people. That was not enough. Too many of our people do not work in a happy environment. Manufacturing industry in the UK did not have a prime *social* position, though change was coming. This was especially true with the increasing number of women studying and working in high technology. But our input costs were seldom competitive — the cost of energy and rates (local) made it harder. However, things were improving, with more leading-edge firms achieving established world positions and still remaining really creative.

Small is Beautiful

There was a trend now to smaller, not bigger firms. British people work well in small teams. Administration by itself could be deadening. We had to align the small with the big, on a world basis. Above all we had to stimulate those we employed. Set men free to do their best, and build their confidence in their own company. Fast-moving technology puts a premium on imagination and innovation, both are essentially British abilities. There is also an increase in the rate of capital formation and willingness to risk capital in the industrial scene which is encouraging. Another important factor is the class-structure. It was important to end any "class-structure" in industry, something he felt had been achieved in ICI, where he did not feel that being Chairman put him in a class apart. He did not think that starting salary levels mattered so much to the young — though they had to be paid enought to live reasonably. Education and teacher quality were both important; but the chief need was to make work *exciting*, so that people would *want* to go into manufacturing and enjoy it.

GOVERNMENT DEBT AND CREDIT CREATION

Some members in Jersey have taken the initiative of sending to all Members of Parliament in the United Kingdom a reprint of the introduction, summary and conclusion from our booklet — "Government Debt and Credit Creation", together with a copy of the letter sent on 13th July 1983 to the Chancellor of the Exchequer signed by the Chairman and Hon. Secretary of the Economic Research Council.

A covering letter was also sent in the following terms:

"Attached hereto is an extract from the Economic Research Council's Report: 'Government Debt and Credit Creation' — consisting of the Introduction, Summary and Conclusion which gives the essence of the report. The complete report may be obtained from the Economic Research Council, 55 Park Lane, London W1Y 5DH.

You are urged to give careful consideration to the proposal that the State should create all the currency and credit needed to satisfy the spending power of the Government and the buying power of consumers. Adoption of this proviso would greatly benefit your constituents who are at present suffering from heavy rates of taxation and increasing unemployment.

The compounding burden of debt threatens to strangle the economic life of the United Kingdom as is shown in the booklet referred to above. Also commended to your attention the enclosed copy of a letter which the Chairman and Hon. Secretary of the Economic Research Council sent to the Chancellor of the Exchequer on 13th July 1983.

I write to you from Jersey where the Island Parliament, The States, issues its own debt-free and interest-free currency. We have a lower rate of income tax and no VAT!"

The Council appreciates and thanks Mr. R. V. Mummery and others for sponsoring this activity.

HONEST MONEY FOR AMERICA

*National debt-money awareness week a success in the United States by T. R. Thoren, co-author of "The Truth in Money Book".**

As more and more people across the United States are becoming better informed about the debt-money system, organizations and grassroots communication networks are springing up in every state. Last year, for instance, Senator Jack Metcalf, from Washington State, organized Honest Money for America in response to the interest he had aroused after sponsoring several bills in the Washington State Legislature concerning the Federal Reserve. One bill called for the State Attorney General to bring suit directly in the United States Supreme Court challenging the constitutionality of the delegation of the power to create money to the privately-owned Federal Reserve Banks. The measure passed the Washington State Legislature, but the Attorney General declined to take up the case on a technicality.

One of the most significant developments of the Senator's Honest Money for America, and one with the most wide-ranging potential, was February's Debt-Money Awareness Week. Debt-Money Awareness Week was a national educational campaign sponsored by H.M.A. and aimed at alerting more people about the fact that almost all the nation's money supply comes into existence as interest-bearing debt. The week commenced on President Abraham Lincoln's birthday (February 12th) which was, of course, appropriate given that Lincoln was the only President to implement a debt-free money issue through the Greenbacks (the US notes used to finance the Civil War).

Basic Facts

In order to draw people's attention to the debt-money system, Senator Metcalf asked all participants to use coins for their purchases throughout the week. Coins are minted by the Treasury and sold at face value to the Federal Reserve banks and do not come into existence as a debt-instrument, as do Federal Reserve notes. The use of coins offered the opportunity for H.M.A. members to explain to shopkeepers, petrol station attendants, restaurant owners, etc., the basic facts of the debt-money system.

Thousands of people participated in the campaign in all 50 states. In Senator Metcalf's home state a rally was held in Seattle on February 12th and 400 people came to exchange $25,000 in Federal Reserve notes for Susan B. Anthony dollar coins. A similar exchange took place in cities throughout Washington state the next day and $25,000 more Federal Reserve notes were exchanged for coins.

In Wisconsin three banks in Kenosha were asked to have coins ready and H.M.A. supporters exchanged $31,000 in Federal Reserve notes for coins.

Local radio, television and newspapers in many states carried stories about the event and what individuals were doing to educate their neighbours, such as people paying their property taxes in coins (one 80-year-old woman in Illinois had to have help carrying her sack of coins to the tax collector!).

Federal Reserve and Debt Money

Rallies were held, State legislators introduced bills concerning the Federal Reserve and debt-money, and the Mayor of Largo (Florida) declared February 12th–19th officially Debt-Money Awareness Week in his city.

Although the campaign did not achieve national television coverage (mainly because of the withdrawal of troops from Lebanon and the death of Yuri Andropov which were major news stories at the time) everyone who participated agreed that it was a tremendous success. More people in the United States now know that money is created as debt than ever before. And they are aware of this fact because a friend or neighbour or customer explained debt-money to them face-to-face.

Similar campaigns could be conducted in other countries since, in many places, the coin issue is still controlled by the Treasury rather than the country's central bank.

Monetary reform rests on educating the people and a Debt-Money Awareness Week campaign is an excellent educational tool which, as Senator Metcalf's Honest Money for America proved, can be extremely successful.

**"The Truth in Money Book" by Theodore R. Thoren and Richard F. Warner. Second edition now available from Truth in Money Inc., P.O. Box 30, Chagrin Falls, Ohio 44022, USA. Price $8.50.*

RENEWABLE MONEY

by A. F. Stobart

(A NEDO meeting has been held recently to stimulate work on small to medium sized wind energy collectors, Electrical Review, 20 January 1984)

Money represents energy, human, animal, mineral or vegetable. The money value of these varies with demand, scarcity and technology. All energy sources except mineral are in principal renewable. Most Western economic systems rely heavily on mineral energy.

As these mineral resources are depleted, and the world population expands, resources per head diminish quite fast. Taking four items only: (Source: *The Real Wealth of Nations*, by S. F. Eyre, pub. Arnold).

Figures are per head of the forecast world population.

	1984	*1998*
Vegetation (Net Primary Production MT./annum)	12	8.6
Fish (Kg/annum)	12	8.6
Oil Reserves (Barrels)	220	43
Copper Ore (as pure metal) reserves (Kg)	50	15

But there are "resources" of renewable energy which are in the main unexploited at present. These are sunlight, wind, waves and tides. Geothermal energy is not renewable in the absolute sense, but may be considered so for comparison.

Historically wind energy has been the most widely used, for sea transport, and milling on land. The former is still in use for small boats, the latter has largely ceased, but "modern" mills are now to be found, particularly in the western USA, supplying electrical power from "wind farms" to the public supply. There is work too in the UK in this field, but mostly confined to giant projects by the CEGB, of great cost, or the work of enthusiasts, also at present costly.

An Enormous "Gold-Mine"

Last December however NEDO brought together some 40 organisations, Ministries and individuals, at a meeting chaired by a Trade Union official, to see if work should start to encourage the development and sale of small to medium, economic, wind energy collectors, particularly for export markets. (The Irish Government has been looking into this field for some time, and has a number of machines under assessment). The size of the "market" was emphasised by one speaker who stated that the wind energy potential for the EEC was the equivalent of 15 million barrels of oil per day. In money terms even at today's oil prices, this is an enormous "gold mine", and one that will grow as oil, and other fuels become scarcer and more costly.

It also became clear that work was in hand to produce wind energy collectors, using existing engineering knowledge, and mass production which might result in wind energy, for heating, being available "at the tower" at around the same price as oil, on an energy basis. (M. J. Platt's Research Report to the Economic Research Council in 1981 pointed out that over 60% of UK energy use was for low grade heat).

If these developments are realised, and the NEDO committee continues its work to encourage them, a new economic factor is introduced into the UK. Wind energy could gradually supplant other (mostly mineral) fuels in suitable areas. These minerals will become increasingly needed for chemical production, and transport fuels. Their use for low grade heating is, even now, a waste of much of their inherent value. As oil reserves fall, coal will re-emerge as the source of fuel, possibly aided by wind energy produced hydrogen.

The long-term economic advantage is that wind energy, up to its maximum availability, is inexhaustable, it needs little or no work to collect it once the equipment is in place, and a "money supply" of high-grade electrical energy becomes available.

Wind is Wealth

In the short term, as NEDO has pointed out, development of wind energy collection equipment could provide goods, and jobs, for the UK engineering and construction industry. A useful starting point might be the power and heat supplies for the Falklands garrison.

Wind is Wealth, the industrial revolution owed much to it, by bringing in the raw materials, and taking out the products, by wind powered transport. There are technical problems to be overcome for its economic application on land, but probably less costly problems than those confronting the nuclear power industry.

LOCAL AUTHORITY FINANCE

by Vincent O'Connor

It is a matter of fact that our economy relies on expanding debt. To provide us with real wealth which comes in the form of food, clothing, houses, fuel, manufactured articles and services all of which is produced by the community as a whole. If this were not the case money supply would not increase.

All Metropolitan councils accumulate debts for which interest is paid from council revenues, causing an effective loss of benefits in exchange for a higher than desirable rate charge. **In Liverpool for example 70 per cent of money paid to the housing account went to pay interest charges (1982)**, leaving a paltry 30 per cent to be spent on housing. This burden, together with continual cuts of the central government rate grant; government demands to cut services, and the newly-proposed government limits on the amount of rates that can be raised by local authorities raises the issue of how authorities can raise funds to provide the services and capital projects that have so long been their responsibility. The answer is surprisingly simple.

Rates Vouchers

All that is required is that rate vouchers be made available to the general public at a price of £1 each. The monies so obtained would be held in an interest-bearing deposit account, thereby providing additional funds for the community. Holders of vouchers would be able to exchange them for a wide range of goods and services within the area of issue. Surplus vouchers would be exchangeable for money and would be guaranteed acceptance by the local authority for its services and rates with no prejudice to the payee and may in certain circumstances give rate discounts to voucher purchasers or bearers.

The authority would be able to redeem the original deposit in money upon cancellation of the vouchers received in rates. The interest monies accumulated by the deposit is morally the property of the community, however within the guidelines of a community charter the community would permit the council to use the interest to the benefit of the community. Thus more money is made available for the same rate payment.

The money that is on deposit forms a base of local investment and thus industry providing employment, money, goods and services to the local area. Also money would be available to the council in advance of rates, thus reducing the burden of debt finance, and rate levels.

Vouchers need not be cancelled by the council if their contractors and workers accept them in exchange for their goods and services. Indeed they may even be loaned by the council without interest, as the deposit is still earning interest.

If the people of Liverpool spent their weekly needs in vouchers they could raise £3,500,000 pounds for investment earning £350,000 for nothing, and that's just setting the ball rolling. The total number of vouchers in circulation would by the very nature of the scheme be limited to the number of vouchers that people wish to hold. As each voucher is covered by both one pound money and one pound's worth of council services it is more than adequately secured. Even a collapse of sterling should not render them valueless.

All that is required for the scheme to work is the willingness of the community to use it.

The issue is to fairly implement the scheme. However, the scheme itself is non-political. For this is a voluntary scheme to benefit the community as a whole to the detriment of no-one.

BRITISH EXPORT PERFORMANCE TO THE EEC

As reported in the Newsletter to ERC members, evidence has been collected for the House of Commons Select Committee on Trade and Industry. Many ERC members responded to the invitation to contribute and these were incorporated in evidence submitted on behalf of the ERC by Mr. James Bourlet.

The Committee are investigating the reasons for the poor export performance of British manufactures to the EEC since the UK joined and on 28th March the Committee began hearing oral evidence — starting with representatives of the CBI. Mr. Bourlet attended as an observer on this occasion and has reported as follows.

"The Committee included Kenneth Warren (Chair), Sir Peter Emery, Robin Maxwell-Hyslop, Teddy Taylor, Michael Woodcock and Stanley Crowther whilst the CBI representatives were Mr. Martin Laing (Chair), Marketing Director J. Laing P.L.C. and Chairman of the CBI Exports Promotion Committee, Mr. David N. Royce, Director General of the Institute of Exports, Mr. John A. Posford, senior partner of Posford, Pavry & Partners, Mr. A. K. Edwards, Deputy Director General of the CBI and Mr. Hugo Herbert-Jones, Director, International Affairs of the CBI.

The questions asked by the Committee were most interesting — and perceptive — though this comment is probably somewhat coloured by the fact that very many of the points raised seemed to be based on the evidence submitted by the ERC — a point later confirmed in conversation by one of the M.P.s present. By contrast the CBI replies seemed unable to answer the points raised with prepared facts. In general the CBI representatives wished to keep the discussion on a general broad perspective — the statement was made that the basic problem with British industry is that 'we have been paying ourselves too much for years — we have been living beyond our means'. The point was stressed that we lack the linguistic abilities — training and education to match continental competitors.

The claim was made that we always tend to have trade deficits with countries of the developed world and trade surpluses with countries of the less developed world. A strong plea was made for government support for export promotion in Europe, additional assistance with finance, contributions towards sales executives' visiting expenses, etc. In general the CBI felt that the main problem with Britain was the attitude of the Trade Unions who opposed progress and improved productivity and the claim was made that small companies in general were not making the contribution to exports to the EEC which matched that of the large firms — it was pointed out that they lacked the size to employ language and other international experts and that some government assistance in this direction should be considered.

M.P.s Questions

But the M.P.s made great efforts to be more specific. They asked if the CBI could tell them whether exporting to the EEC was for their members more or less profitable than export efforts elsewhere. No answer could be given. M.P.s asked what effect membership of the EEC might have had on CBI members' investment locations — were they now investing more on the continent ? No answer could be given. M.P.s asked, if productivity, costs and language problems gave British industry such a disadvantage, why did the UK have a manufacturing goods surplus with the EEC before entry and why has Britain's export performance to the rest of the world been better than to the EEC since entry ? It seems the question could not be answered. M.P.s asked whether the CBI saw, when oil production declined, the Service sector of British business might expand export earnings and 'fill the gap'. The CBI felt that services should never be expected to be of that order of importance. Asked about the value of EEC production for British business from the rest of the world, the CBI felt that the Common External Tariff was useful but not decisive but that voluntary restraint agreements (on TVs, cars, etc.) agreed between industry representatives had a much stronger effect — though these might only be 'temporary'. Comment was made about the need to keep out or limit 'torrential' imports from Japan (EEC jargon) though this term would be inappropriate to describe imports from other EEC members.

High Technology

Asked about a specific case involving high technology where UK productivity and costs compare favourably with continental competitors but in which our market share had nonetheless declined, the CBI said that they were unaware of that case and would like to study it before comment. Asked about the effect of EEC membership on international investment, the CBI stated that EEC investment in Britain since 1972 exceeded UK investment in other EEC countries. The Committee expressed surprise and delight at hearing this entirely new information and requested the CBI to supply further details. This should be most interesting. Asked about the attractiveness of Spain for international — typically American investment the CBI stated that once Spain becomes an EEC member it will become subject to EEC disciplines and will not attract as much international investment as at present."

In general therefore it was a fascinating session. The ERC will be called to give oral evidence in due course and we can await the final report of the Select Committee with great interest.

THE RECIPROCAL TRADING SYSTEM

by D. A. Cable

At a symposium on the British economy organised by the BBC2 early this year, the first speaker, an economist, made the recommendation that the world as a whole should adopt a reciprocal trading system in order to secure a stable economy for most nations. Considering that the world has so far not succeeded in escaping the constant recurrence of booms and slumps, or even thought this possible, one would have expected a lively discussion of the new idea. Yet, not one word was further spoken on it by any participant on the occasion, all of whom were leaders in their respective spheres of activity. It does not seem to occur to those who bear the responsibility for the economy that prosperity will have to be actively organised by the application of severely practical measures, if it is to be assured.

In order to throw some light on the concept of reciprocal trade, an attempt will here be made to investigate how it could probably be organised in Britain, and what the consequences would be. **The new system could be introduced** by the announcement that, as from a given date and for an irreversible period of ten years, all import restrictions would, with certain specified exceptions, be abolished in Britain on foreign physical goods, but the payments for them for the seller be canalised into a special Sterling Goods Account to be established by all British banks. The foreign owners of such monies could only make use of them in the purchase of British physical goods that are exported or for the transfer to some third party, whether British or foreign, that accepts the conditions attaching to them, or, finally, for the establishment of industries in Britain. The money would not carry interest when held in the Account, nor would the owner be allowed to effect a temporary investment for interest with it. All foreign payments in this category would by the banks be notified to a Registry linked to the Bank of England as the governing authority in the disposal rules for the monies involved. If after the elapse of ten years the Account is abolished, the money remaining in it will be freely disposable by the owners. The probability is however that, after ten years of operation, the Account will be continued.

A Goods Account

The proceeds of **British exports of physical goods** will by the commercial banks be notified to the Registry at the same time as the British beneficiaries are credited, this crediting being simultaneous and direct so long as Britain alone maintains a Goods Account. The Registry will of its own accord upon notification by the banks in date order make a corresponding reduction in the amounts registered as belonging to foreign holders, and release it to them for free disposal. This will change when the foreign country has itself set up a Goods Account, to which the credit will then go. If the trade balance would show a surplus in Britain's favour and the earliest component items in it be more than two years old, the exporters originally credited with such items could, if necessary, be made subject to an interest charge thereon. By this

means an active pressure would be exercised also on them to promote imports, unless some effective general national action to promote imports is then taken. Actually, during the period of two years the trade balance between Britain and some foreign country is likely to be either favourable or unfavourable to one of them at any given moment, but it is highly improbable that specific items received by Britain for exports will notionally remain in the balance after two years.

Any **foreign country** adopting the reciprocal trading system is likely to organise it on lines similar to the British. Importers in that country will make their payment in favour of British suppliers to their own Goods Account, from there in due course to be spent on imports by Britain from them. A British-owned deposit in a foreign Goods Account is a fully assured, existing asset, not unlike gold, and the rule must be that the Government through the Goods Account takes it over at par, like it would with gold. British exporters must not be made to wait for their funds, once they have been forthcoming. Foreign countries with Goods Accounts are likely to assist their exporters in similar fashion.

Prospective Trading Climate

Since both imports and exports are normally pursued by separate parties without mutual consultation, an **organisation for the promotion** of reciprocal trade must be set up to co-ordinate intelligently the interplay between exports and imports. The entire trading community will back it up. The trading climate will be radically transformed, since the success of one partner will become the guarantee of success for another partner, contrary to what is now the case. Since no import obstacles of any kind will exist, it will still be possible for a British industry to be strangled by foreign competition, but then with the significant difference that other industries will benefit correspondingly. Constant trade surpluses for one country will only come about as the result of trade on the triangular pattern. A country with traditional trade surpluses in most directions will be forced to revise its trading patterns. A tendency amongst holders of Goods Sterling to dispose thereof to third parties at a discount will not assume large proportions, since this would mean that at their own expense they are granting a subsidy on the British goods the same money will pay for next time. Similarly, whilst a foreign exporter to Britain may feel tempted to overcharge in relation to his costs, it must be realised that this will create a corresponding British chance to overcharge in some other context the overcharger's country. From this will develop a strong adverse public opinion against the abuse, as will be the case in respect of exchange rates.

Various Points

The **exceptions from the payments rule** for certain imported physical goods should be made entirely to suit British interests. Goods of similar kind of British origin when exported would correspondingly have to be paid for by money not out of the Goods Account. Mineral oils, raw materials and products traded on international commodity exchanges would conceivably be goods to which the exception applied. **Foreign retaliation** in kind as such would not come as a hostile measure, but take the welcome form of an adoption of our system. Should there be a tendency in some quarters to regard the establishment of the Sterling Goods Account as the creation of **two British currencies,** the same system is likely to be adopted by all who trade with us: we shall not be alone.

First Impact of System

Whereas British exporters under the reciprocal trading system will be as eager as now to sell their goods abroad, there may be some fear amongst foreign traders on Britain that they would come to wait unduly long for their money. The remedy for them is to demand that their country also establishes reciprocal trading, since a Goods Account will then act as a cushion for the early payment out of their money. For spreading the knowledge of the benefits of reciprocity, the national press in all countries should be mobilised in order to inform the trading community and give them the strength to influence official negotiators. The outstanding message that should be got over to them is that Britain, **in its own interest,** is anxious to see them not only maintain their exports on us, but to increase them. Should at the inception of the system foreign imports tend to diminish, we shall have more of the home market to ourselves, without our exports being affected, considering that the latter are always taken on their merits alone.

Potential Sterling Movements

Unaffected by the new payment rules will be all monies relating to invisibles, services, capital movements, earlier prepayments on capital projects, as well as all payments not related to physical goods purchased after the inception of the system. A situation calling for radical adjustment of payments will only arise for countries that are in the habit of selling in their own currency, and in most directions attain export surpluses on their customers' countries. Britain must under no circumstances depart from its established payments rules, since this would ruin the system and deprive the world of the chance of ever getting a trading system under which slumps and booms can be largely eliminated.

Conclusion

An analysis of the consequences of a reciprocal trading system for Britain tends to show that fears initially but superficially felt about it either do not arise or can be made to disappear. The new principle can be carried into practice with the simplest of all conceivable measures — the monetary arrangements — but both parties affected stand to gain in equal degree. International trade can also be generated by a bold importation by one partner from another, without damage to the initiator. It must also be appreciated that, once the possibilities inherent in reciprocal trade have become known in other countries, any important manufacturing country could take the initiative in introducing it for its own benefit. It will then be impossible for other countries — including Britain — not to follow the example.

COMPANION TO RUSSIAN HISTORY*

This book by Dr. John Paxton provides a mass of information for those interested in Russian culture, history and current affairs. It provides an invaluable source of reference to all who wish to understand the background of people and events which have led to the modern USSR.

It covers a long period of time, from the 10th century right up to the end of the Khruschev era. It contains more than 2,500 entries together with maps covering a period of 1,000 years. It consists of a Who's Who, Gazetteer, Dictionary, Atlas and Chronology supplemented by a Select Bibliography.

A variety of events are described, for example, the ascendancy of the tsars, the Russian Civil War, Stalin's Five-year Plan.

This is a truly comprehensive book which examines not only the notable incidents in Russian history but also little known but significant events which are integral to the development of the nation. All information is cross-referenced and there are suggestions for further reading.

The author edits the *Statesmen's Yearbook* and is a long-standing member of the Economic Research Council.

* *"Companion to Russian History" by John Paxton. A Batsford Book published at £14.95.*

A MATTER OF LIFE OR DEBT*

The author of this book, Eric de Maré achieved his RIBA degree in 1933 and was subsequently editor of the *Architects' Journal.* He went freelance in the late forties and he writes mainly on architectural and topographical subjects, having produced some twenty books.

The subject of this book, however, is the urgent need for a reformed monetary system. The opening words in the book summarise his approach to this controversial topic:

> **"We live in a world of technical brilliance and cultural barbarity, a world where needs go unsatisfied while resources lie unconsumed and where nuclear threat equals the destructive force of five tons of TNT for every human being on earth."**

The chapters on 'Work and Leisure' and 'What is Civilisation' are particularly worth studying. He claims that "with the aid of applied science we have, in a remarkably short space of time worked ourselves out of the need to toil incessantly for mere survival."

When he comes to the solution of our problems he opts for the Social Credit scheme as propounded by Major C. H. Douglas and in the final chapters he explains these proposals in a simple and attractive way. Not everyone, however, will accept his view that Social Credit is "The only Remedy".

* *"A Matter of Life or Debt" is published by the author, Eric de Maré, and can be obtained from The Old House, Middle Duntisbourne, near Cirencester, Gloucestershire GL7 7AR. Price £4 (inc. postage).*

EEC AND THE THIRD WORLD

This important book* concludes that the EEC has taken an unbalanced stance during the current renegotiation of the Lomé Convention between the EEC and its 63 most favoured Third World partners in Africa, the Caribbean and the Pacific. The stance is unbalanced in two ways. First, the EEC has neglected trade issues, which are of far greater importance for African, Caribbean and Pacific (ACP) countries than aid. Second, the EEC is concentrating on shortcomings in the ACP's development policy, while turning a blind eye to major inefficiencies in the EEC's own aid administration, many of which have been imposed on the Commission by the Council of Ministers.

Renegotiating Lomé provides the most comprehensive independent analysis available of the workings of Lomé I and Lomé II, focussing on the effects of the Convention on ACP exports, EEC support for ACP mineral producers, and asserting the effectiveness of aid.

* *"EEC and the Third World: A Survey 4. Renegotiating Lomé", edited by Christopher Stevens. Published by Hodder & Stoughton in association with the Overseas Development Institute, London and the Institute of Development Studies, Sussex. 208 pages, £7.95.*

THE THREAT TO WORLD PEACE

Mr. Brian Crozier, journalist, author and pioneer of conflict analysis, identifies three parallel propaganda campaigns being waged by the Soviets against the West; firstly, against the neutron warhead, which would halt a Soviet tank offensive without recourse to the more dangerous and damaging theatre nuclear weapons on which NATO's present strategy depends; secondly, against the deployment of 572 cruise and Pershing 2 warheads which are designed to counter an anticipated 1,500 SS20 warheads scheduled for deployment by the Soviet Union; and thirdly, in favour of a US nuclear "freeze" which is designed to take effect before the Americans can replace their ageing strategic nuclear forces.

Mr. Crozier traces the involvement of Soviet-controlled propaganda bodies such as the World Peace Council in the development of the so-called "peace offensive", and explores — in a series of detailed questions and answers — the practical effects of such activity upon the strategic position in Western Europe if unilateralist or one-sided disarmament measures were to be adopted.

"If Western Europe were incorporated into the Soviet Empire", he predicts, "this would not necessarily relieve our populations of the fear of war. Indeed, it would simply stimulate a Soviet desire for a final showdown with, what, by then, would be 'fortress America'... In other words, being 'red' is no guarantee against being 'dead'. It is more likely that you will be both."

"The Price of Peace" by Brian Crozier, second edition. Foreign Affairs Publishing Co., 139 Petersham Road, Richmond, Surrey TW10 7AA. £1.

RESOLVING THE NATIONAL DEBT CRISIS

In the Summer issue of *Britain and Overseas*, Laurence Trimby contributed an article entitled "How local authorities can help to resolve the national debt crisis". Its object was twofold. The first to demonstrate how employing the existing machinery of government, the individual debts of each local authority to the Public Works Loan Board could be redeemed. The second, to draft for individual ratepayers, be they personal or commercial, a form of letter which, having obtained the relevant financial information from the Treasurer of the rating authority, could be used to make an application, through the Member of Parliament of the applicant, to the Secretary of State for the redemption of the debt owed to the Public Works Loan Board by the local authority concerned. Similar applications can, of course, be made by those local authorities which are not rating authorities.

So far such applications have been made as respects the Rother District Council: to be followed by the East Sussex County Council; the Cheltenham Borough Council and the Glasgow City Corporation. The matter is also under consideration by the Reading Ratepayers Association, The National Union of Ratepayers and Tynedale District Council.

COMMON MARKET QUOTES

In for the Money

When the Establishment promised the EEC leaders that we would join the Common Market as good Europeans dedicated to all kinds of fanciful and mystical concepts of unity and brotherhood, they thought they were speaking for the British nation. They were not.

The British people were talked into voting for EEC membership on the grounds that they would benefit financially and economically. I am afraid that our European partners must get used to the fact that the British will snore loudly throughout all the oratory about Charlemagne and only wake up to complain about money.

We are in the Common Market with our eyes firmly fixed on the bottom line and not on the stars. So the issue revolves around whether our partners can meet, at least in part, our financial demands.

Actually our principal demand is for structural reform of the Common Agricultural Policy. But that is all about money too. We are substantial net contributors to this lavish subsidy to agriculture. And we do not want to be.

Brian Walden in The Standard, 27.3.84

Ministers Fail Again

Foreign Ministers from Britain's nine EEC "partners" left Brussels angrily last night after failing to persuade Sir Geoffrey Howe, the Foreign Secretary, to make any more concessions in his demands for a fairer deal on the Community budget.

Ian Murray reporting from Brussels, The Times, 28.3.84

We have reached the end of the road and the British cannot expect to keep picking up the negotiations from where they left off.

Herr Hans-dietrich Genscher, West German Foreign Minister, The Times, 28.3.84

We are fed up with negotiating with a partner who doesn't want to move. It is an unbelievably harsh attitude of the British, and most of the nine are just afraid of being milked further by Britain.

Mr. Wim van Eekelen, Junior Dutch Minister, The Times, 28.3.84

EEC Preferred Failure to Uncertainty

The undignified, esoteric arguments which have brought the ailing EEC to the brink of bankruptcy have been prolonged by their complexity.

It is becoming increasingly clear that the failure at the summit was in no small part due to the fact that the leaders did not all understand their brief, and chose failure rather than run the risk of accepting something with uncertain implications. The confusion continued at this week's Agriculture and Foreign Councils, and the whole issue was further complicated by the lack of a common language. . . .

Ian Murray, Strasbourg, The Times, 29.3.84

Tread Softly

Sir Geoffrey Howe, the Foreign Secretary, reporting to Parliament yesterday on the latest Brussels talks about differences in the European Community, gave the first public confirmation of the Government's decision to do nothing which would put it in open breach of EEC law. . . .

Sir Geoffrey confirmed what M.P's have expected: that the contribution of £100m, which is due from Britain on April 20th but which the Commission wanted paid this week, is not to be paid early. Since the refunds due to Britain and West Germany remain blocked, he said, the principle justification for the advance had gone.

This refusal to advance payments, as opposed to withholding them, is regarded by Government lawyers as fully in accordance with both domestic and Community law, although the Commission's lawyers differ.

Julian Haviland, Political Editor, The Times, 29.3.84

Parliamentary Sovereignty

Mr. Enoch Powell asked: When Britain joined the EEC the people were told that parliamentary sovereignty remained intact and could be reasserted at any time. Will Sir Geoffrey Howe guarantee that it will be used as and when necessary to secure the rights of this country ?

Sir Geoffrey Howe said parliamentary sovereignty was exercised in accordance with the treaties endorsed by the House. Any change involving an increase in own resources would require approval of the House. *The Times, 29.3.84*

Mr. Anthony Beaumont-Dark said many felt that Brussels had spawned an organisation which had redistributed wealth from the consumer to the farmer and often from the poorer countries to the richer ones.

The British Government deserves all the support it can get in stopping this insanity so that we can have a long-term Common Market which will not just be a bloodsucker on the backs of the British people. *The Times, 29.3.84*

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