

Return of Schemes made under the Colonial Development and Welfare Acts by the Secretary of State for the 1 April, 1954 to 31 March, 1955. H.M. Stationery Office.
One of the answers to the Anti-Colonialist school. (694)

HOUSING AND SUBSIDIES IN BRITAIN

How Subsidies distort Housing Development, by F. J. Osborn.
A reprint from the Lloyds Bank Review of April 1955. (695)

DRINK AND THE JUVENILE

Further Evidence of a Continuing Increase

in Drunkenness among Persons aged under 21 in England and Wales. Economic Research Council, July 1955.
This sequel to the Council's report of June 1954 has received considerable Press publicity and a reply from the liquor interest. (696)

BANKING IN INDIA

Trend and Progress of Banking in India during the Year 1954. Reserve Bank of India.

This is the Annual Report required by the Indian Banking Companies Act, 1949, on a year described as one of 'orderly economic expansion'.

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Economic Talking Points

Is war probable in the Middle East?

British evacuation of Suez has been followed by increased Arab-Israel tension, revolt in the Southern Sudan, terrorism in Cyprus, Egyptian subversive propaganda in Colonial Africa.

Egypt has agreed to accept arms from the Soviet Bloc.

Soviet diplomacy has become intensely active in the Arab World. The Egyptian Junta is believed to include Communist supporters.

But The Baghdad Pact (U.K., Turkey, Iraq, Pakistan, Iran), backed by the U.S.A., constitutes a 'Northern Tier' of security.

Colonel Nasser may be using his arms deal as a lever to extract more Western aid.

U.S. economic and British military power, the Johnston Plan for the irrigation of the Jordan Valley and World Bank assistance for such projects as the Aswan High Dam (in which Moscow has shown interest) are possible counter-attractions.

Will Britain lose her Commonwealth Markets?

Because Commonwealth countries, and in particular Australia and New Zealand, are in difficulties with their own export earnings it is suggested in the *Treasury Bulletin for Industry* that no increase in imports to these countries is possible.

The report urges that Britain should seek to increase her exports to Europe and to North America.

But Australia has recently announced an export drive to New Zealand as part of her campaign to increase her exports announced by their Prime Minister.

At present Britain holds 57 per cent of New Zealand import trade, while Australia has only 13 per cent. Australia hopes to increase her exports of cars and trucks and is also sending more trade missions abroad to other Commonwealth territories.

Is the Lancashire Cotton Textile Industry finished?

Japan is potentially an even more formidable competitor than she was 15 years ago. Mills are closing down.

Mr J. F. Simpson, Chairman of the Cotton and Rayon Merchants' Association, has declared that the Government does not intend to limit imports.

Mr Cyril Lord has described Mr Thornycroft as the potential hangman of Lancashire.

Protection is made difficult by the combined effect of Ottawa and G.A.T.T.

But It is argued that some cuts in productive capacity are advisable.

Lancashire is less vulnerable today with an annual export total of 700 million yards compared with 7,000 million 40 years ago.

Man-made fibres are now rated fully equal to natural fibres.

Can Western Aid solve the economic problems of non-Communist Asia?

Britain is to contribute larger funds to the Colombo Plan. Washington has set aside \$1,000 million for the region, besides aid from the Export-Import Bank, farm surpluses, the Ford and Rockefeller Foundations and the World Bank.

Some Asian participants in the Colombo Plan are now able to render, as well as receive, aid. The Indian loan to Burma is an example of this. The U.N. Economic Commission for Asia and the Far East's report for October 1954-March 1955 speaks of general increases in production.

But Populations increase alarmingly.

The E.C.A.F.E. report speaks of some deterioration in the balance of trade.

Does more Automation mean more Leisure?

Automatic factories, requiring man-power only to service machines, are already in existence.

Such methods of production, dispensing with the need for men to work and control machines, can be introduced without technical difficulty into many manufacturing processes.

The need for less man-power to produce wealth can, if properly applied, lead to increasing leisure.

But So long as fear of unemployment remains one of the basic factors in industry, these developments will be resisted.

To accept unemployment as 'leisure' means a very considerable revolution in our whole approach to economic and monetary policy. Those likely to be released from the need to work are perhaps the least well equipped to face the problems of leisure, and to use it wisely. A new approach to education is therefore also vitally necessary.

New Zealand Commission on Money—

Since the inquiry started in April the Commission has listened to, or read about 2,250,000 words and has had about 87 sitting days.

Many people in New Zealand consider that little will come out of this Commission, that at the most it will make a few recommendations regarding the present system, without making any drastic suggestions. As a result of the considerable Press reporting of the hearings, and the interest in monetary policy which has been aroused, a better understanding of the issue will undoubtedly result.

New Zealand has led the world in a number of reforms which have since been adopted in other countries.

Does Britain fail to support its Scientists?

Professor Oliphant, leading Australian scientist says yes. He believes that British industrialists fail to make full use of scientific discoveries. He instances Penicillin, which went to U.S.A., who now draw the royalties, and aniline dyes, which went to Germany—both British discoveries.

But Britain leads in such vitally important spheres as nuclear energy and aviation.

ECONOMIC DIGEST

NOVEMBER, 1955 VOLUME VIII NUMBER ELEVEN

Digest Spotlight focuses on

Donald Tyerman

The new Editor of *The Economist* spent a dozen or more of his earlier years in and out of hospital. They didn't know much about polo then. The young Donald got about on sticks or in a bath chair and attended a variety of schools before beginning at Gateshead Secondary School a distinguished scholastic career helped by the fortunate presence of two or three first-rate teachers. Tyerman modestly conceals his intellectual achievement by admitting to a flair for passing examinations. However that may be, a scholarship took him to Oxford.

His father died when he was still in his teens and his mother went out teaching, uncertificated, to keep Donald, and his brothers going. Donald's arrival in Oxford was his farewell to Tynside where, after being born on Tynside, he spent his most formative years.

He read History at the University, with Political Economy as special subject. It was a practical preparation for his future career, covering as it did Budget speeches from Pitt to Harcourt, Bank Rate policy and other practical matters.

His degree gained, Tyerman did a year of research during which he learnt some economic theory and made a study of the relations between banks and industry during the depressions of the nineteenth century. Part of his reading was every

copy of *The Economist* from 1843 to 1900. Tyerman went on to teach economic theory and political history at Southampton (then University College, now the University). Among his students were Walter Taplin, once Editor of *The Spectator* and now senior economist on the Steel Board, Ronald Tress, now Professor of Economics at Bristol, P. W. S. Andrews of Nuffield College and A. W. T. Ellis of the Ministry of Works. Tyerman likes teaching so much so that he took on W.E.A. engagements as well. But he holds that it was really a false start, that he did not then adjust himself to the responsibilities of growing up and making a career and it was therefore salutary when, on an impulse, he applied for and obtained an appointment with *The Economist* at the end of 1936.

Lord Layton was then Editor, Tyerman's friend, Hargreaves-Parkinson, Deputy Editor and Graham Hutton and Geoffrey Crowther Tyerman's seniors as Assistant Editors. He describes the last two as testing mentors. By October, 1938, Lord Layton had resigned to be succeeded by Crowther and with the departure of Parkinson and Hutton, Tyerman was left as number two. In the special circumstances of the war he became Deputy Editor of both *The Economist* and *The Observer* and then went to *The Times*

at the request of the man he has most admired in journalism, Robin Barrington Ward.

Tyerman's views might be described as those expressed in *The Economist* between 1938 and the present time. His liberalism may be epitomized as radicalism based on sound economics. He accepts wholeheartedly and enthusiastically the idea of putting a floor into society but prefers the expression 'National Minimum' to that of 'Welfare State'. The whole project should, in his view, be a 'going concern', combining liberty with social reform and providing the strength for Britain to

play her part in the Atlantic Alliance with wise and firm diplomacy and the maintenance of the American connection.

Donald Tyerman was married in 1934 to a former pupil. They have five children: three girls (11, 8 and 6) and two boys (4 and 2). Apart from work and reading, his chief interest is sport and he is proud to be President of the Ingatstone (Essex) Cricket Club. Tyerman will be 48 next year and has come a long way in the face of early adversity to a position of great influence and importance in Britain and the Western world.

A Basis for Anglo-American Understanding

BY THE RT HON. L. S. AMERY, C.H.

In tribute to the late Mr Amery we are reproducing an extract from his introduction, dated February 28, 1946, to his book *The Washington Loan Agreements: A Critical Study of American Economic Foreign Policy* (Macdonald & Co.). It is but one example of Mr Amery's prescience as a great Imperial statesman and as an economist of distinction.

'No one can doubt, for a moment, the necessity of Anglo-American co-operation and friendship for the peace and prosperity of the world. But co-operation must be based on mutual interest and friendship, on frankness as between equals, on telling our friends where we believe them to be mistaken, in their own interest as well as in ours, not on shirking vital issues. So, in true friendship, I propose to write with complete freedom. There are two elements in America, separate, though to some extent overlapping, which have come together on this policy and are trying to force it upon us. In the forefront are those statesmen and economists, generally known as New Dealers, who, brought up in the isolated economic and social environment of the United States, genuinely believe that the policy they advocate is good for everybody. They think, in fact, as we thought just 100 years ago in an utterly different world. They have persuaded themselves that the world depression was caused by the trade and exchange restrictions which were subsequently imposed by the various countries to save themselves from its effects, and that the mere removal of those regulations will automatically bring about an era of world-wide expansion. They apparently believe that the Ottawa Con-

ference of 1932 was a principal cause of the world crisis which came to a head in 1931. We must all respect their sincerity, for they include many of our best friends in the United States. But we are entitled to question their economics and their history.'

'Tough Guys'

'They are not, however, the real driving and deciding force in this business. That, as poor Lord Keynes discovered when he began talking about our sacrifice for the common cause, is supplied by the "tough guys" in Congress and outside. It is supplied by the big industrial interests clamouring for an unlimited outlet for their immense surplus capacity. It is supplied by big business eager to finance exports and secure world-wide control. Our idealist friends may admit that their policy will only work if America, now a creditor country, becomes, on balance, an importer and not an exporter. So far as the tough guys are concerned, that is all theoretical boloney. They are for exports and more exports and yet more exports. They want to supply the needs of every country, not only in goods, but in air and sea transport and finance—exports visible and invisible. And there are other tough guys, more concerned with the home

A Reconstruction of Canada's Population Record, 1851-1951¹

(000's omitted)

	Births	Deaths ²	Immigration	Emigration	Population at end of decade
-1851.....	—	—	—	—	2,436
1851-1861.....	1,281	611	209	86	3,230
1861-1871.....	1,369	718	187	377	3,689
1871-1881.....	1,477	754	353	439	4,325
1881-1891.....	1,538	824	903	1,110	4,833
1891-1901.....	1,546	828	326	505	5,371
1901-1911.....	1,931	811	1,782	1,067	7,207
1911-1921.....	2,338	1,081	1,592	1,330	8,788
1921-1931.....	2,414	1,053	1,195	967	10,377
1931-1941.....	2,291	1,070	150	241	11,507
1941-1951 ²	3,205	1,216	548	380	14,009
1851-1951.....	19,390	8,903	7,245	6,502	

¹ 'The Growth of Canadian Population', by Nathan Keyfitz, *Population Statistics*, Vol. IV, No. 1, revised and brought up to date.

² Including Newfoundland from 1949, an estimated 345,000.

³ Includes 36,000 overseas casualties of Second World War.

market, who will see to it in Congress that any reductions in the American tariff are not going to spoil their business. As for the balance of payments, the financiers can see to keeping that balance going for the present—and never mind the theorists who point to the inevitable eventual crash.'

'Unemployment for Export'

'What even the statesmen of the New Deal fail to recognise is that their policy, if it is to be accepted by the world, can only continue to work without a crash on the basis of an eventual enormous increase of America can import, which must of necessity increasingly compete with American production. As with us in the past the tendency would be not only towards a less balanced internal economy and a greater dependence on external interference with that economy, but also towards an increasing subordination of the interests of producers to those of financiers and merchants. Meanwhile it is to this passion for export, not to the necessity of an import surplus, that they appeal when they want to put their policy across at home. In October 1955 President Roosevelt said: "I intend to find jobs for 60,000,000 Americans by trebling our exports". A rosy prospect for us who have been told that, merely in order to exist, we must increase our total exports by 75 per cent, which means we must double our exports of manufactures. Similarly, Mr Vinson, the Secretary of the American Treasury, commended the Agreement in a recent broadcast "as opening the way to the removal of all government restrictions on purchases from America". America is to sell and sell and all will come out right for everybody, somehow. That is the policy in a nutshell.'

'Moonshine'

'As for the continually reiterated assertion of our New Dealer friends that any other policy than that which they now advocate is a policy of economic and eventually actual war, I can only describe that as pure moonshine. Do they suggest that the United States have throughout their existence been recklessly waging war against humanity? Can anything be less like war upon the world than mutual reductions of tariffs between a group of peace-loving nations like those of the British Commonwealth? On the contrary the more we are free to trade with each other within the Commonwealth on our own terms the more we shall trade with the world outside, including the United States, and the more effectively we shall be able to co-operate with others for world peace. The argument might have some bearing in relation to an aggressive totalitarian economy like that of Russia. It might even be directed against America's attempt to veto all mutual co-operation between nations. It has no relevance whatever to the attempt to maintain, or secure, a balanced and stable economic expansion by mutual co-operation among liberal-minded unaggressive nations.'

'Robust Spirit'

'I rather like the robust buccaneering spirit of modern American economic imperialism. Only I do not see why it should be exercised at the expense of the British Empire. For it is against the British Empire, above all, that this policy is directed. That is why there is this insistence on our abandonment of Empire Preference, the least restrictive of all tariff arrangements in the whole world. That is the reason for the determination to break up the sterling system.'

The British Empire is the oyster which this loan is to prise open. Each part of it, deprived of the mutual support of Empire Preference, is to be swallowed separately, to become a field for American industrial exploitation, a tributary of American finance, and, in the end, an American dependency.'

Fallacious System

'I am not myself enamoured of that prospect. No more than Mr Churchill am I prepared to acquiesce in the liquidation and break up of the British Empire. Nor do I see the slightest chance, under the condi-

tions of the proposed commercial agreement, of this country, deprived of preference, deprived of the bargaining power of our rich consumers' market, deprived of the expansionist effect of the sterling system on all its members, ever being able to pay its way, let alone paying back the loan. I say again, the loan is one which we can control certainly repay if we are free to control our own economic destiny. As bond slaves of the system which America is forcing upon us we can never repay and are bound, sooner or later, to repudiate both the loan and the system.'

U.S. Tariff Reductions?

HARD on the heels of Mr Butler's accusation of 'back-peddalling', the American Administration has produced a list of 900 items on which it is prepared to negotiate tariff reductions under the foreign trade legislation enacted earlier this year. It should first be said that, as we go to press, a full list of the items is still not available in London, but that does not preclude some study of the implications of the list or of the events which have taken place since it was issued.

The list is not, of course, a rejoinder to Mr Butler since its compilation has long been in train. Nor, at the same time, does it altogether dispel the impression that Mr Butler's judgment may still be true. Certain immediate qualifications need to be made. The list does not appear to include bicycles, watches or oil on which tariffs have been raised or imports quantitatively restricted;

there is provision for domestic protests against the list before negotiations begin and there are many items such as pottery on which protests will be strongly made; the negotiations will not begin till next January and will only be made against *quid pro quos* acceptable to the United States; finally even negotiated reductions may be cancelled subsequently by invocation of peril clauses.

Paley Again

The items, if taken together, accounted for \$1,722,000,000 of imports into the United States last year and mined products are probably the most important group—copper, manganese and tungsten ores, nickel and aluminium among them—as well as steels. Lest anyone should be wondering where he has seen the list before, the answer is in the Paley Report. It should not be

From *The Mining Journal*, September 30, 1955

thought that the Eisenhower Administration is not prepared to make a genuine effort to reduce tariffs on certain manufactures or to face the inevitable rumble of complaint from domestic producers, but the most important items on it are imports, particularly metallic imports, of which the United States stands in serious need. Furthermore, although copper figures very prominently in the list it is well known that, for some years, the import duty on copper has been lifted and that, more recently, the export of American produced copper has been virtually banned. It is true that the lifting of copper import duty has to be renewed from year to year but he would be a bold man who would say when the price of copper will fall to a level at which the duties again become necessary. In other words, the United States is seeking to negotiate (and it is worth emphasising that reductions will have to be negotiated and that nothing is going to be given away) tariff reductions and strengthen her raw material position at one and the same time. . . .

Protectionist Pressure

The second important point about the negotiations is that the protectionist group will bring its pressure to bear before they start and while they are on. It is worth recalling that the protectionists had to be bought off during the passage of the Foreign Trade Bill, with promises as to how the Act would be interpreted; for example, although a cut in oil imports was not written into the Act the recently ordered 'voluntary' cuts were only a redemption of a pledge that the Texas oil industry would be protected. Similarly, protectionists regard the Eisenhower Administration as being on sufferance and are

ready to pounce on any Presidential decisions that will strengthen their case for placing tariff negotiations directly under Congress control. Some of the protectionists, the lead and zinc producers, the makers of bicycles and watches for example, are not threatened with tariff reductions, but what was apparent during the passage of the Foreign Trade Bill was the co-ordination and cohesion of the protectionists no matter what industry seemed to be in danger.

Effect of Ike's Illness

With the future course of these negotiations so very much dependent on personal pressures and personal interpretations, and with President Eisenhower himself leading the liberal school within the Administration and Republican Party, the unfortunate illness of the President throws the entire scheme for tariff reduction in a new light. Will the President be strong enough to exert an influence on these negotiations (and it took all his personal prestige to carry the Foreign Trade Bill); and if he is not, will the negotiations turn out to be merely a means of making good America's mineral deficiencies? Secondly, if Mr Eisenhower decides not to stand again for President (and the chances that he will not must now be enormously greater, to put it no stronger) will not the Republicans play safe during this last crucial year and refrain from annoying domestic interests by lowering tariffs on their products? For if the Republicans are to regain control without Mr Eisenhower they must tread warily indeed; the battle cry 'Foreigners have no votes', will be heard again.

Outlook for Geneva

Until the Administration's inten-

tions are much clearer and, perhaps more important, until Mr Eisenhower's personal future becomes much clearer, it is hardly possible to assess the importance of this latest American gesture. Probably nothing can stop the Geneva negotiations

next January from effecting tariff reductions on the metals and metalliferous ores of which the U.S. is fast running short; but whether the negotiations will produce a major step forward in freeing international trade is another matter.

Foreign Capital and Planning

A Ceylon View
BY POLO MARCO

What are the considerations that should influence our attitude towards foreign capital? It must be stated at the very outset that irrational or emotional considerations such as unbridled nationalism should be kept completely out of the picture. Quite often indigenous vested interests stalk about the country under the garb of fervent patriotism. Another common misconception is that foreign capital is eagerly waiting to pour into the country in order to commence its work of exploitation. However true this may be of past economic history, it is far from the truth today. On the contrary, to quote a local authority: 'Ceylon need the foreign investor more than he needs Ceylon.' It is really a question of competing with other capital-scarce countries in order to attract foreign capital. Finally, there is the common fear that foreign investments would lead to the remission of profits abroad. This is certainly admitted. But, the profits remitted abroad are nothing more than the price paid by the country concerned for the use of foreign capital—and this is not very different from the price paid for goods that would have been imported from the foreigner in the absence of foreign enterprises at home. It may still be objected that

the foreigner demands a very high price for the use of foreign capital (in the shape of huge remittances of profits.) To this there is but one answer: treat foreign capital favourably and the size of the remittances will decrease.

Safeguards Against Exploitation

Hence, as a general rule we must allow foreign capital the same facilities that are given to local capital, place no restrictions on the amount of profits or its remission abroad and tax foreigners and nationals on the same basis.

However, there must be certain safeguards to ensure that the benefit of the foreign company accrues to the advantage of the nation. Foreigners are often reluctant to train people in the secrets of their craft. Legislation should exist to employ local personnel and train them within a specific period. It may be necessary, in the interests of the nationals, to exclude certain branches of the economy from the foreigner. Primary agriculture is one of them—although mechanised agriculture and the opening up of new fields of commercial agriculture are almost impossible without foreign aid. A word more about taxation: although there

From *Social Justice*

should be no discrimination locally between national and foreigner, the existence of systems of double taxation may be a deterrent to the excessive remittance of profits abroad.

It is suicidal to be so nationalistic that we want to exclude foreign capital and technical aid while being at the same time broad-minded enough to import and popularise vices such as artificial birth-prevention and abortion.

The interests of the nation demand that we use every legitimate means to step up production. If our capital is inadequate we must invite foreign capital and be strong enough to safeguard our interests.

The sooner we irrigate our arid zones, cultivate our barren lands, and provide employment for our idle hands *even with the aid of foreign capital*, the greater would be our self-sufficiency in capital itself.

Air-Minded Africans

TRIBESMEN from Basutoland—British High Commission territory that is bordered by Natal, the Orange Free State and the Cape Province—have become air-minded.

From May, 1954, to April this year, a total of 838 tribesmen flew in either direction towards Ladysmith, in Natal, and an airstrip at Mokhotlong, 7,200 feet above sea-level in the heart of the Basutoland mountains. Flights towards the mines were commissioned by the Native Recruiting Corporation of the Chamber of Mines, and although the air distance is no more than 80 miles, it is over some of South Africa's most rugged terrain.

People in these parts often see a thunderstorm taking place *below* them on the mountains.

Before this service was introduced after World War II—it is operated by a private aircraft company as part of other charter work—Basuto tribesmen from the Mokhotlong area would trek for a week or more to reach a railroad and then have to make a longer rail journey on their way to the mines.

From The Mining Survey

Horse to Air

It is now known for tribesmen, mounted on Basuto ponies, blanketed and wearing their distinctive straw hats, to reach the Mokhotlong airstrip accompanied by a relative or friend, who will then lead the horse home again after its master has gone on his way to Ladysmith and the gold mines.

Apart from this service, there are other flights being operated in this territory on which Basuto miners sometimes fly.

But the large majority make their way down the mountain bridle paths to the engagement centres of the Native Recruiting Corporation from where they are transported by road to the railheads on the borders of their country.

Basuto tribesmen, members of a proud people who accepted gratefully the 'blanket' of Queen Victoria in the last century, are well known on the gold mines of South Africa, particularly for their work as shaft sinkers. Last year, over 37,000 Basutos were voluntarily engaged for work on the gold mines of the Transvaal and the Orange Free State.

The Caribbean Case

From a Speech by THE HON. NORMAN MANLEY, Q.C. (Chief Minister of Jamaica), Principal Speaker at a Meeting organised by the Empire Industries Association at the Caxton Hall, Westminster, S.W.1, on 3rd October, 1955. For a biographical sketch of Mr Manley, see Digest Spotlight in the August Digest

THE West Indies as a whole face a situation of extreme difficulty and the elements of crisis should not be ignored because of the vigour and optimism of those who belong to the area.

Hundreds of years of Colonial rule has geared our economy to England in every respect. It is impossible to escape this historical legacy.

Sugar was made the basis of our economy for British reasons. Sugar contributed to the capital development on which was based the Industrial Revolution of the Eighteenth Century. Sugar fell from its throne for reasons unrelated to the West Indian needs. The West Indies became expendable or rather had outlived their significance. A long period of stagnancy ensued while the population grew.

The need for diversification became apparent. The smaller Islands had minor crops—Sea Island cotton, Nutmegs, etc. Jamaica broke through with Bananas and by 1930 had become the largest unit producer in the world. The war destroyed this temporarily. Trinidad turned to Cocoa till disease hit her and oil came to the rescue. The war stimulated new efforts—in particular Tobacco and Cigars in Jamaica, which British policy has now nearly wrecked.

The Basic Problem

(1) Political advances and ambitions demand more than ever economic health. We have resisted

Communism successfully, we avoid serious labour dislocations, but we can only continue if we have sound and growing economic advance.

(2) Population increase is stripping development everywhere.

(3) General conditions of doubt and uncertainty become prevalent and result in such products as the current migration wave which is the direct and inevitable result of unemployment and economic instability in Jamaica and the special conditions of full employment which prevail in England.

(4) Efforts at industrialisation take time and enormous money.

(5) Agriculture will remain for years to come the basis of the economy. Agricultural exports are the foundation on which all our efforts depend. Unless these can be maintained in healthy state, can expand, can enjoy a measure of market and price security, can be diversified, then it is inevitable that the present standards of living, poor as they are and void of social security and strained by high levels of unemployment, will be lowered and debased. The consequences are unpredictable but no consequence is too bad to be excluded as impossible.

The Dominant Factor

British policy dominates the economic future of the Caribbean. England is our basic market for all our major exports and in that

market we cannot survive without a measure of protection and an assurance of help for some years to come.

It is vital to us that there should be *continuity of policy*. A minor change in British policy can bring complete ruin to a major effort in the Colonies.

These are illustrations of the effect of inconsistent policies and partial reversals of policy:—

Long term purchasing agreements stabilised sugar for the whole Commonwealth. The Citrus concentrate contract led to the current expansion of our Citrus industry. Our Cigar trade boomed while Cuban cigars were excluded. Rice expanded by direct British appeal.

Simultaneously GATT provisions threatened the foundations of protection for Colonial exports.

There are signs of a reversal of policy. All long term purchase agreements are destroyed except three. The trend is towards free competition and open markets.

Thus it is becoming clear that GATT and these changing policies threatened our major exports.

Lord Chandos, then Colonial Secretary, declared after the 1954 negotiations that H.M.G., in recognition of their responsibility for the development and welfare of the Colonial territories, were determined to do everything practicable to promote the continued prosperity of West Indian agriculture which looks to the United Kingdom as its chief market.

That H.M.G. would proceed forthwith to examine the nature and extent of the longer term risk to these industries and in particular the Banana and Citrus industry and to formulate within the next 12 months any scheme of assistance necessary to safeguard the industry.

Security and Stability

We are asking for security for a period of time long enough for us to stabilise these industries and tackle the problems of increasing production and soil restoration. We want an assured market and guaranteed prices to a reasonable and moderate extent, so that we can provide proper remuneration and living conditions for our agricultural workers (now living, some of them, on as little as 30/- a week), and for our farmers, and an adequate return on capital invested in industry.

We believe that without security and stability, there will not be any incentive to undertake the enormous task of getting ourselves to be more nearly capable of holding our own in the face of world competition.

The need is increased by the intensity of competition, by the protective measures taken by other countries, and by their use of subsidies in concealed form and of currency manipulations. The need is increased by the hazards we suffer from: tropical plant diseases—many not yet conquered—and hurricanes that wipe out half our crops once in every six years.

Taxation Madness

Britain, in spite of the Radcliffe Report, holds to the policy of taxing British companies operating in the Caribbean on profits tax-free or tax-spared as a result of our industrial incentive programmes. America proposes to change that policy if treaties to that end can be negotiated so far as affects American companies.

We bargained at some disadvantage. We are grateful for the help we receive, but we have no bargaining situation, except goodwill, and it is not always easy for our point of view

to be grasped, especially when conflicts of interest arise. I genuinely believe that these negotiations should not proceed on the basis of finding the lowest level we can be got to accept without protest.

I genuinely believe it is shortsighted policy, when you have decided out of generosity and strength and ability to do so, to offer help, to offer too little to do the good that is aimed at. The goodwill lost is surely worth more than the few pounds saved. It is better surely to err a shade on the side of generosity than to let policies of caution defeat the will to sustain and strengthen.

A Vital Area

Our political progress as a multi-racial society is of tremendous significance. A successful Federation achieving Dominion status will be a quite unique event. Our remarkable progress in solving the so-called problem of colour is a contribution to the civilised world. Nowhere has more and better work been done and nowhere can better conditions prevail. Life as we live it disproves false theories, dispels legends and points a finger to the road that all can take.

Grateful to Britain

We would not wish to seem unmindful of what England has done—C.D. & W. and C.D.C. are worthwhile instruments and have effected great good. Her help to education is noteworthy. The West Indian University College is become a great institution, and we owe it to England.

The Way of the Suppliant

The fact that we are here to bargain is significant. Not for me to

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complain if the way of the suppliant is hard. We suffer as much at the hands of world policy as of anything else.

The trading forces of the world are irrational and care little or nothing for the needs of small countries, nor for the problems of depressed humanity.

America will put tremendous pressure on England to allow in America on surplus citrus, although they exclude other countries from U.S.A. by a high tax policy and despite the fact that their citrus industry is rolling in wealth. They spend millions to fight Communism all over the world and to help economies that do not conflict with theirs, but I do not discover any great concern that their policy might help to undermine a significant part of the West Indian economy.

All the metropolitan countries, England included, would like to buy in the cheapest markets even while cheapness is secured at the price of low standards of living and human degradation.

Who will Lead?

It is idle to pretend that free enterprise and free world trade can mean anything else except destruction of most of the dependent economies. Some measure of world agreement about prices and their relation to tolerable living standards is as necessary for the poor tropical countries as it has been found necessary as an internal measure for the stability of agriculture in the United States, in England and elsewhere in the world.

Who will take the lead in a new approach to a problem of world-wide significance?

(2) CITRUS

WE read of lavish expenditure of money on development and welfare schemes in the British West Indies, but there seems to be small recognition of the desperate nature of the need to provide outlets overseas for the *fruits* of development, just as there seems to be almost complete blindness to the fact that the huge outlay on capital expenditure is tying round the necks of British West Indians millstones of recurrent expenditure which they can never hope to meet, and which it is most unwise to assume that the United Kingdom will be in a position to meet, however much she might desire to do so, when the day of reckoning comes.

The chance to give the British West Indies a chance exists today. It is still not too late to attempt to estimate what resources will in the future be available for meeting recurrent expenditure, and to plan the best schooling, the best medical facilities and so on that can be obtained with available funds. It is still not too late to ensure that the colonies shall achieve the greatest possible measure of ability to provide for themselves the institutions appropriate to modern civilisation. Were that necessity recognised, it would not be a case of British West Indians having to besiege the United Kingdom Government with requests for help in the provision of outlets for their produce, but rather of British anxiety to provide and point out the opportunities possible in the markets of the United Kingdom on a colonies first basis.

Attitude to America

In considering these things, and

particularly in relation to the present crisis in the British West Indian citrus industry, we do not forget the world's debt to the United States for the lead given in the lowering of trade barriers, but it is surely no part of the duty of the United Kingdom Government to court American adherence to its chosen path by sacrificing a British West Indian industry which so badly needs every scrap of help that Britain can give it. After all, the United States has provided an abundance of precedents for departure from that path, and with far less reason, even before they crowned all with the Chief Joseph dam and the 50 per cent increase in the tariff on bicycles, or, if report be true, decided that the British West Indies citrus industry should die out gradually.

However, it is welcome news that the Florida citrus growers are solicitous for the welfare of Jamaican producers and willing to see the British West Indian point of view. The British West Indies will not ignore the possibility that they may get better results in company with the Florida citrus growers than without them. Nevertheless, we would remind our Florida friends that while they are powerful enough to find markets for their citrus all over the world, that very success has made it virtually impossible for the British West Indies to dispose of their citrus products in any country other than the United Kingdom, and that nothing that has happened can deprive the British West Indies of their birthright claim to compensatory action on the part of the United Kingdom. The British West Indies ask nothing more unreasonable.

From The West India Committee Circular, September 1955

able than that the United Kingdom Government should take such steps in the interests of its protégés in the West Indies as the United States Government has taken, and is apparently prepared to continue to take, in the interests of its own protected producers and manufacturers in like circumstances.

Strictly from the point of view of

the United States, both the often affirmed high moral purposes of the Government and its well-known enlightened self-interest would seem to dictate, as an act of policy, the encouragement and establishment of a strong British West Indies, rather than an area of growing disaffection and not unjustified hostility towards it.

BRITAIN AND WORLD TRADE

IN 1954, industrial output in one great manufacturing area of the world—Western Europe—rose, while in the other great manufacturing area—North America—it did not. Now it is rising in both areas. But there are no signs as yet of any big increase in the value of imports from primary producing areas; indeed two of them, Australia and New Zealand, are in difficulties because their export earnings are not big enough, and primary commodity prices, with one or two exceptions (copper and rubber for instance), have not shown any strong upward tendency.

These different export market prospects—good in Europe and North America, not so good in many primary producing countries—are very important for the United Kingdom, whose main need at the moment is to increase her exports sufficiently to re-establish an adequate surplus in her balance of payments and to set the gold and dollar reserves rising again. The weight of the U.K.'s export effort must change with changing markets.

BRITISH AVIATION EXPORTS STILL RISING

Figures for August 1955 show that British aviation exports totalled £5,435,998, an increase of £1,361,819 over the figure for August last year. During the first eight months of 1955, aviation exports amounted to £42,785,634, nearly £3 million more than in the same period in 1954.

EAST-WEST TRADE GOES UP

During the first half of 1955 the aggregate value of East-West trade was \$1,085m., compared with \$927m. in the first half of 1954. In the same period the Eastern European countries raised their exports to Western Europe by almost a third. The increase in Western Europe exports however was only 4 per cent up on the first half of 1954.

In the period under review France almost doubled her exports to Eastern Europe and Turkey. West German exports eastwards also increased substantially.

From Treasury Bulletin for Industry, September 1955

F.A.O. Surveys Post-war Recovery

To mark the tenth anniversary of F.A.O. and the close of the first decade of post-war agricultural recovery, F.A.O. has made its annual report on 'The State of Food and Agriculture' this year a report covering the whole of the past ten years.

This review, which contains more than 200 pages of statistics and analytical comment on agricultural development since the war, says these years have seen a more rapid increase in agricultural production all over the world than ever before. Starting with the end of the war, when food distribution through the United Nations Relief and Rehabilitation Administration and allocation of food supplies through F.A.O.'s International Emergency Food Council staved off famine in many areas, there has been a dramatic transformation from serious shortages to a point where some nations are producing more food than they can readily dispose of.

Production and Reproduction

For the world as a whole we have caught up with the backlog of population—and there are now nearly 25 per cent more people to feed than when the war started, five mouths for every four at that time. Leaving out the U.S.S.R. and China, for which our figures are still rather incomplete, the world is producing about 20 per cent more rice, milk and cotton than before the war; 30 per cent more wheat, fats and meat; 50 per cent more fruit and sugar, and 80 per cent more rubber, not counting synthetic rubber. Altogether agricultural production is up by about 27 per cent, or rather over 20

per cent if we include rough estimates for the U.S.S.R. and China. In terms of output per head of population, some countries are better off than they have ever been; some are not yet quite as well off as they were. South East Asia, where recovery has been badly delayed by continuing wars, unrest and drought, is still the darkest spot. But by any standard the achievements of the last 10 years have been remarkable.

But the world's food problems are not solved. We are finding how to produce more food more rapidly and effectively than ever before. The widespread fears that the world's population was outgrowing its food supply seem to have been premature. At the United Nations Population Conference last year it was generally agreed that there would be no insuperable technological difficulty in meeting all food requirements for at least the next 30 or more years (which was as far as the Conference cared to look) even though there might then be nearly 4 thousand million people in the world compared with 2½ thousand million today. But we still need to learn how to make agricultural production more flexible in response to changes in demand. We still have to raise the output per man, especially in the more backward countries in order to cure the extreme poverty among their country people. Some of the distortions due to the war are still with us.

U.S. Surpluses

For example, in the face of mounting surpluses the United States is trying to scale down her greatly expanded production of wheat, so invaluable during the war and post-

war years, and is not finding it easy because she does not want her farmers' incomes to fall still further behind incomes in towns. On the other side of the world, Russia, whose agriculture was worst hit by the war, is making immense efforts to bring vast tracts of virgin land into cultivation, chiefly to grow feeding grains with which to produce more butter and meat.

But our main problems today are those of marketing and distribution rather than production. In most countries today the farmers could grow considerably more food if they could sell it. But over large parts of the world the problem is not yet solved of providing people with the means to buy as much food as they need. Nor have we found how to ship the millions of tons of surplus food in countries which cannot sell it to the countries where millions still subsist at little above the starvation line. F.A.O. is trying to develop ways in which some of these excess stocks can be used to improve the health of mothers and children, or be used to speed up the economic development of the poorer countries, by means which will not ruin or unfavourably affect the farmers of the recipient countries, but much

still remains to be done to put them into operation on any substantial scale.

Forest Surveys

In 1948, and again in 1953, F.A.O. carried out world forest inventories which took a great step forward in estimating distribution of forests and of tree species over the globe and the rate at which man is drawing on them. At present F.A.O.'s Fisheries Division is working on the preparatory stages of a World Survey of Living Aquatic Resources.

A second branch of F.A.O.'s activities might be described as 'catalytic'; bringing about international action on problems common to groups of nations. For instance, there is the F.A.O.-sponsored Near East Regional Desert Locust Control Project, through which 13 countries have combined to fight this ancient foe of the farmer. There is the recently-established European Foot and Mouth Disease Commission in which a group of countries has joined together to promote a common programme of research and counter-measures against a disease which in the outbreak of 1951-53 cost the European stock industry \$600 million.

Food, Forestry and Agriculture

(1) TOO MUCH FOOD?

It was stated at the I.F.A.P. Conference in Rome that the main surplus problems concern wheat, sugar, cotton, rice, and dairy products. The delegates recommended that farmers in the world cut back on their production of crops such as cotton, grain, and potatoes, and make a

prudent shift of their production to animal protein foods.

The very existence of surpluses on the world market is causing a depressing influence on prices, the policy report said. 'Up to the present there is little evidence of disorderly marketing of existing surpluses', the

delegates said. . . . It should not be forgotten in this connection that the piling up of government stocks in the United States has enabled producers in other countries to continue, and in some instances even to expand, production. . . .

Eastern Outlets?

The I.F.A.P. conference felt there is not much chance at the present time at least for finding, in the underdeveloped areas of the world, outlets for the surplus production ability of farmers. The reason is that in these areas individuals do not have the money to buy the food and fibre, and with what money governments have, they generally prefer to buy machinery, implements, and other capital goods. It was felt there is a possi-

bility of finding outlets in the Soviet sphere for the surplus production. The delegates said there is a need in the Soviet area for import of fats and oils, meats, and cereals. But a warning was sounded that because of political uncertainties and the scarcity of Soviet supplies for exchange, it would be dangerous for farmers to count heavily on future Soviet outlets for surplus production.

The delegates said that the industrialised countries of Western Europe and Japan must continue to be relied upon for any significant expansion of food and fibre consumption. The United Kingdom remains the world's biggest importer of farm products and will continue in that position for some time. The greatest potentiality for expansion seems to exist in Japan.

(2) PHOTO-INTERPRETATION IN FORESTRY

BY G. W. DINGLEBY, B.SC., M.A., D.PHIL.,
Demonstrator in Forestry, Imperial Forestry Institute, University of Oxford

FORESTRY is often pointed to as a field in which the scope of air photography is obviously great; yet in the majority of countries the foresters themselves do not know what that scope may be in their own conditions. Forestry has many aspects and each country normally embraces most of them, but the main emphasis varies greatly according to geographical and historical circumstances. In Britain or the Middle East the word forestry becomes almost synonymous with afforestation. In Canada or Malaya it is largely a case of using the vast expanses of natural forest in such a way that their existence is not threatened. In Kenya or Australia the emphasis may be on the con-

version of an uneconomic indigenous forest to a paying crop of exotic softwoods.

Without attempting even to list the possible applications of air photography under these various conditions, it is probably true to say that its greatest immediate use is in areas of undeveloped forests where a survey of resources is the first requirement. But to suggest that its usefulness is confined to such areas is greatly to underestimate the scope of the method. For instance, the value of photographs as a permanent record alone cannot be overstressed in those places where conversion or afforestation are the main operations. Apart from this, though, many other uses present themselves. To mention

From Hunting Aerial Survey Review

only one—the planning of a forest in regard to site and specific composition should be directly related to the ecology of the area as shown by the previous vegetation. Here the air photograph can save months of field work if such vegetation types can be recognised and mapped. Even in Britain many an acre of plantable hillside could have been used and many unplatable sites excluded if the upper planting limit had been based on the ground vegetation rather than on an arbitrary contour line.

Commonwealth Example

There is no need for me to stress the great use made of air photography by foresters in Canada, New Zealand and Australia, to mention only countries exemplifying a wide range of forest types. The biggest fields of application, however, are to be found in the tropics, and it is here that the biggest problems are met. Some of these problems are probably insoluble; for instance, over many square miles the ground may not be seen, so that tree-height measurement is impossible and this, in turn, greatly restricts mensuration. Other problems, though formidable (e.g., species recognition), can probably

be taken a good deal further than at present appears possible. This will not be done, however, by individuals working with rudimentary equipment, however strong the spirit. Such research calls for a properly co-ordinated assault, such as has been made by the Dutch in Indonesia and Surinam, where preliminary results are highly encouraging, and demonstrate, incidentally, the value of large-scale cover.

As foresters we are still ignorant of what air photographs can really be made to reveal. We know that they have their limitations, sometimes serious ones. But, once research has shown what is possible, such work will be carried out much more quickly using air cover than by ground methods alone, without corresponding loss of accuracy. Whilst it is the greatest fallacy to believe that air photography renders field work obsolete, there is no doubt that work on the ground can be reduced to a fraction of the normal, with the certainty that that fraction is directed to the maximum advantage. In a profession where the number of acres per man is so great, this could make the difference between stagnancy and progress, between degeneration and improvement of the forest.

(3) HIGH FOOD PRODUCTION IN SOUTH AFRICA

THE annual agricultural output of South Africa has increased by 412 per cent in 15 years, according to annual figures supplied by the Union Government to the Food and Agricultural Organisation of the United Nations. The value of farm produce last year was £343,000,000, compared with approximately £67,900,000 just before the war (the

proceeds from forestry and fishing are excluded from these totals). The report to the United Nations says: "The past two seasons have been characterised by marked increases in food and agricultural production which have established new records for a number of products, notably maize, ground-nuts and dairy products."

World Wheat

BY PAUL DE HEVESY

Mr Paul de Hevesy was a member of the diplomatic service of the former Austro-Hungarian Monarchy, serving in Paris and Madrid. He was also Permanent Delegate to the League of Nations and the International Labour Office, member of the Wheat Advisory Committee, London, and of the Committee for Post-War Reconstruction at the Royal Institute of International Affairs (Chatham House), London. He is the author of WORLD WHEAT PLANNING (Oxford University Press, 1940) and of LE PROBLÈME MONDIAL DU BLÉ, which won the Gold Medal of the French Academy of Agriculture. Having resided in London for the last twenty-three years, he is now a British citizen.

He is a brother of Professor George de Hevesy, who holds the chair of chemistry at Stockholm University and who was awarded the Nobel Prize in 1943.

THE most formidable monopoly in the world is that of the principal wheat-exporting countries, which maintain artificially high prices for wheat, and, in consequence, for all other foodstuffs. It is true that in recent years wages have risen everywhere; but, thanks to scientific progress, costs of production have been reduced in many instances even more than wages have been raised. In view of this circumstance and of the present enormous unsold world surpluses, not only of wheat, but also of coarse grains, rice (in all rice-exporting countries), and many other foodstuffs, the prevailing high food prices, largely due to the price-support policy of the United States and some other countries, are without justification. The unmanageable surplus of cotton in the United States is also a result of arbitrary price-fixing. For storage costs alone of farm products the United States authorities have to face a daily bill of \$1,000,000.

High Pressure Group

The high prices paid to the farmers in many countries can be attributed to their organised electoral strength;

and many industrial strikes are undoubtedly due not to low wages but to these high prices. The whole world would benefit if the United States and the United Kingdom, the greatest food-exporter and the greatest food-importer in the world, were to return, by gradual and carefully devised stages, to a free economy and an open market.

If the Americans were not to interfere with farm prices any more than they do with the prices charged by their manufacturers and traders; if they were to allow the varying pressure of supply and demand to effect the reciprocal adjustment of prices: food throughout the world would in all probability become less expensive than it now is. In any case, prices of all goods would be thus brought into their proper relations.

Policy for Britain

As a nation whose very existence depends on international trade, the United Kingdom should act on the principle that the cheapest and best goods must conquer all markets, including its own. As long as the consumer is unwilling to buy goods on the sole consideration of quality

and price, universal prosperity cannot be attained. Unless prosperity is universal, it can neither endure nor improve the positions of the United States and the United Kingdom as world-wide commercial Powers.

Since the United Kingdom does not export foodstuffs, its agricultural policy has little influence on world food prices; but the competitive position of its industry would be

improved if it were to buy all its food from the cheapest sources. Moreover, the economic policies of these two countries are closely watched and are often imitated by other countries. Nobody would be so ungrateful as to impugn the incomparable generosity of the United States; but a sound American agricultural policy would be of greater value to the world than all their loans and gifts.

Mr Smedley Debunks The Chancellor

Extract from a speech by MR OLIVER SMEDLEY, Chairman of the Cheap Food League and Member of the Liberal Party Council

IN America there are tremendous surpluses of foodstuffs which they want to sell off cheap before they rot. Our Government would not touch them with a barge-pole because it would disturb the featherbed slumber of so many of our own much overvalued and under-worked farmers. So they have gone to Japan. They will help to reduce the cost of living there. Soon we shall meet increasing competition in our export markets from Japan. We shall hear once again the bowl of rice 'propaganda' of our highly protected and, therefore, inefficient manufacturers. But the cause will not be bowls of rice but American surpluses which we could have brought cheap ourselves if we had wanted them.

Troubled Waters

Then look at the white fish

scandal. Enormous sums are spent in telling the British housewife how cheap fish is. What we want to know is whether it is as cheap as it should be. When we read of the trawler-owning Companies constantly raising their dividends and trawler-mates earning £20,000 in six years and then not paying their taxes, we begin to wonder. How much happier we should be about the price of fish if our own fishermen were subject to the friendly competition of their Icelandic brethren who, as we all know, have been ruthlessly excluded from our ports and shoved willy-nilly into the arms of Russia.

There is only one answer to inflation and that is *Free Trade*. Mr Butler talks smoothly and sweetly about the subject but never takes a single step in the right direction. He is a hopeless failure and should be mercilessly debunked.

LIKE RABBITS

World population, at present about 2.5 thousand million, is growing at the rate of about 100,000 a day.

Between Elizabeth I and Elizabeth II: The British population increased 10 times; The Home Civil Service increased 1,000 times; Government expenditure increased 20,000 times.

Should Banks be Nationalised?

(A discussion between a Chartered Accountant and a professional Economist)

ECONOMIST: In 1946, the Bank of England was nationalised and statutory authority was given to what had long existed by custom and tradition. In spite of this, however, nationalisation of our commercial banks would certainly not be a recognition of what had long existed by custom and tradition: on the contrary, it would be a complete break from past attitudes.

ACCOUNTANT: I agree that until 1946, the government had no direct control over the banking community, but I think we must agree that for over 200 years there has been a continual trend towards centralisation in banking. The number of banks which have amalgamated and have been absorbed by the larger banks must run into several hundreds.

E: Yes, that is true. In fact the number of joint-stock banks fell from 400, at the time of the passing of the Bank Charter Act 1844, to 16 in 1920. This led to the fear of the formation of a 'money trust' and the Colwyn Committee in 1918 recommended that future amalgamations should be subject to Treasury control.

A: Is it not surprising that whilst a private monopoly is always considered to be detrimental to trade or business, yet a public monopoly in the form of a nationalised industry is often regarded as being most desirable? On what grounds would a nationalised banking industry have any advantages over a private money trust?

E: Demands for nationalisation arise for several reasons in the various industries. Some base their claim purely upon political belief; others say that nationalisation of

basic industries and important public services will give the government greater economic power to implement the Keynesian techniques necessary to counteract the operation of the trade cycle. Then there is opposition to private monopoly owing to the fact that it gives too much power to private individuals. Capitalism, it is said, only works whilst there is the drive of the individual towards achieving his own ends, which are correlated to the ends of society by means of the pricing mechanism and profit motive.

A: Surely there are as many opportunities for the abuse of power with a nationalised bank as with the present system? There were many suggestions in 1948 that the bank rate was deliberately reduced to enable some of the nationalised industries to be acquired cheaply. If the government has unlimited control over the monetary system, it is true that the power to avoid slumps may be greater, but is this not giving Parliament rather dictatorial powers?

E: The problem, as I see it, is this. The community must decide how to use the resources available. If the capitalist method is used, then, through the pricing mechanism, the consuming public must dictate to private individuals what they should produce, though there are many examples of imperfect competition and lack of incentives that distort this decision-making process. The alternative suggested is to nationalise certain basic industries, and so give the government greater powers of control. Some people consider that this in itself is enough to ensure that

our whole economy will work smoothly and efficiently: I consider that the problems still exist. Instead of the problem of giving incentives to private capitalists and ensuring that private aims are correlated to public interest, there arises another problem—the problem of ensuring that government action is democratic.

A: But what is the case for nationalisation? Surely, the government have sufficient influence over the monetary world by fiscal measures and the Capital Issues Committee? Is it necessary, in your opinion, that the government should take complete control over all banking activities, including the operation of personal accounts?

E: Perhaps the answer to this question will depend upon two matters. Firstly, the effect upon the running of our economy and the control of monetary factors within our society. Secondly, upon the efficiency of banking itself. Do you consider that the setting up of one centralised bank would lead to greater efficiencies?

A: The present systems available to the government are quite adequate for the purposes necessary. To your question, I would therefore say, no, since even if centralisation were to result from private monopoly as opposed to nationalisation, there could be little saving in clerical costs; although individual identities would be lost, it would be necessary to establish regional organisations which would operate on similar lines to those existing at present. If one had two banks on opposite sides of the street, one could hardly suggest that both banks could be merged into one premises, since bank premises are not unduly large, and it would be necessary to extend existing premises if others were to be closed. I think an example can be shown in the chain-store industry, where there are many cases of the same firm

operating two shops in the same street. **E:** I would agree that any efficiencies that may arise in administration would be slow to become apparent. But I do consider that in many cases there is idle capacity, both in the use of premises and labour. Thus, by combining two bank premises, it would probably be possible to undertake the same amount of work with only, say, an increase of 50 per cent in the labour and accommodation of one of the branches concerned. To give another example of possible efficiency—the size of cheques might be standardised.

A: I do not think we must lose sight of the fact that many of the services of the bank today are of a professional nature. If banks were to be nationalised the customer would regard his bank manager as little more than a government official, and that sense of confidence which is so vital to businessmen would be lost immediately. Strip from the bank their cloak of independence, clothe them in red tape, subject them to the regimentation necessary for a government department, remove the spur of profit, and what have you left? An organisation little more than a post office, where the layman might expect the same queues and complacencies. And do you really think the government would be any better able to control our monetary system if they held our purse-strings themselves and knew the contents of our purses?

E: I am not saying whether I favour nationalisation or not. I am attempting to rationalise objectively upon the subject. May I suggest that you do likewise? In fact, nationalised industries and public departments have no monopoly of inefficiency. The problems of good administration apply equally to the large public firm and the large private firm. I have attempted earlier to make what

I consider is the main distinction, namely the methods of control and whether this should be a democratic prices system or a democratic government.

A: Even before the nationalisation of the Bank of England, it was rather surprising that the government had little trouble in obtaining the co-operation of the banks. The system of obtaining this has not varied much; the Chancellor of the Exchequer makes a recommendation as to lending policies, and as many of our readers may know to their cost, bank managers are almost eager to carry these out. Do you think that it has been largely the threat of nationalisation which has induced the banks to conform to the recommendations of the government?

E: No. I consider it has been the result of a long existing working agreement between the government and the banks. It must be remembered, however, that under the 1946 Act, the government has got a legal power to enforce its policies upon commercial banks.

A: Do you consider that increasing reliance has been placed by recent governments on monetary controls? Twenty years ago changing the bank rate was considered to be a very serious matter, and the government appeared to rely for the most part upon fiscal controls which could be introduced in the Budget.

E: Up to the beginning of the 1930's, when the great depression hit the world, monetary policy had always been the main means of controlling the country's economy. Fluctuations in the bank rate formed a vital feature of the gold standard. From 1930 onwards, until the return of the Conservative government in 1951, our country followed a cheap money policy. The bank rate was kept at a very low level, and re-

mained stable generally throughout the period at around 2 per cent. The Labour Government controlled the economy mainly through physical controls and financial restrictions as well as through the Crippsian technique of Budget surpluses and deficits. The present government has, since 1951, followed a policy more dependent upon monetary changes than fiscal changes. The bank rate has been used as a flexible weapon of controlling the psychology of the businessman. Threats of inflation and overseas deficits have resulted in a sharp rise in the bank rate, whilst falling trade has been countered by cuts in the bank rate. The problem arises as to whether the nationalisation of banks becomes unnecessary owing to the fact that the government can control the economy by use of fiscal policy and physical controls.

A: I think we must leave this matter as being one of largely politics, since the degree of planning which is desirable in any community must depend upon other considerations, and the control of monetary policy is only one of many matters arising from a planned economy. I think we might conclude by saying that nationalisation of banks has as many attractions and disadvantages as nationalisation of any other industry or trade in this country today; although money is often regarded as being the most flexible commodity, in fact there are as many ways of affecting and controlling its supply and distribution by fiscal and other measures as there are by nationalisation. The case for nationalisation must rest with the politicians rather than with the accountants and economists, although its implications are probably of greater significance to the company secretary than would be the nationalisation of many other industries today.

Trade Union Topics

(1) THE UNION AND AUTOMATION

BY BOB EDWARDS, M.P.

FAR too many trade unions, and far too many workers still vegetate in the old rut, and hope to solve the problems of our times by the old methods based on the Luddite rebellion, and the industrial revolution. Outdated economic textbooks are no guide to the future; a new technical, atomic and chemical revolution is unfolding before our eyes. It is reshaping the industrial landscape of Britain and the World. It is towards this revolution that we should turn our eyes in the certain belief that given twenty years of peace our World and our Country will move into an era of super-abundance, which will easily satisfy

the physical needs of mankind, and usher in a new Garden of Eden out of which the Serpents of Insecurity have been eliminated for all time.

New World If . . .

This new Britain and this new World will come on one condition, that we learn from the mistakes of America, where it is alleged, everybody is working overtime to make labour-saving devices. Automation should bring new security but also new leisure, and we must learn before it is too late how to use this leisure to become better men and better women than our forbears.

From *The Chemical Worker*, July 19, 1955

(2) HOW OLD ARE THE BRITISH WORKERS?

EVERY other man at work in Britain today is over 40 years old. But only two women workers in every five come in to the same age group.

Among nearly 14 million men at work the industries which have the oldest workers are public administration and such services as catering, laundries and domestic work. In both these groups three men in every five are past the 40 mark.

The industry with the youngest men workers is building and contracting with three in five under 40. Precision instrument making, and woodworking are next on the list.

Among more than seven million women, the only industry with more than half its workers over 40 is the entertainments, catering, laundries and domestic service group.

Other industries with above average proportions of women over 40 are textiles and public administration.

These figures are given by the Ministry of Labour following a survey last year.

The Ministry says that nearly half the women at work are married. In the china and earthenware industry married women represent 63 per cent of the total number of women workers in the industry, and in textiles over 60 per cent.

Taking a regional analysis the Ministry finds that in the Midlands married women workers outnumber the single women in jobs. But in the North only two women workers in five are married.

(3) WHERE THE MONEY WENT

According to the Blue Book on National Income and Expenditure, published by the Central Statistical Office, this is how the average family in the United Kingdom spent each £1 of its income in 1954:

	s.	d.
Food ...	6	6
Alcohol ...	1	5
Tobacco ...	...	...
Housing, fuel, light ...	...	...
Household goods ...	...	...
Clothing ...	...	...
Motoring, cycling ...	...	...
Travel ...	...	...
Entertainments ...	...	...
Miscellaneous ...	...	...
Average 1947-54	2	7

(4) STRIKES IN SEVENTEEN COUNTRIES

Days Lost a Year per Thousand Employed

Country	1952	1953	1954	Average 1947-54
Switzerland ...	10	60	25	39
Netherlands ...	20	15	35	80
Sweden ...	35	240	10	81
West Germany ...	50	150	168	103*
Denmark ...	5	5	30	108
Norway ...	190	65	110	112
United Kingdom ...	140	170	190	151
Canada ...	1,140	620	660	736
Belgium ...	520	250	220	760
Japan ...	1,770	470	370	786
Ireland ...	1,730	320	258	881
Australia ...	810	740	680	941
New Zealand ...	110	70	75	963
Italy ...	530	1,110	710	1,023*
France ...	250	1,370	210	1,244
United States ...	2,400	1,070	850	1,515
Finland ...	65	120	200	1,520

*The figures given for Germany and Italy are the average for 1949-1954.

(5) DIVIDEND BOGEY

In the past year there has been a noticeable increase in profits and dividends distributed. As the Central Statistical Office's analysis of National Income and Expenditure (1955) shows, personal incomes from rent, interest and dividends rose between 1953 and 1954 by £73 millions, or about 4½ per cent, while wages and salaries rose by £645 millions, or about 7½ per cent. The total dividends paid on

From *British Employers' Confederation*

Ordinary Shares in 1954 were £597 millions; the net amount of these after the deduction of income tax at the then standard rate of 9s. in the £ would be £328 millions.

As salaries and wages after tax

Nasty Medicine

'It is going to hurt,' says Mr Butler when outlining the steps he proposes to take to restore the nation's economy. The credit squeeze is to be continued—'We must prune back our roses in order to get better blooms to compete with the foreigner'.

We are to have even greater priority for a bigger export drive. Agriculture may find some subsidies cut, but will still receive large help from the Government. There will be cuts in new Government building, and defence expenditure will be cut to meet changing needs.

The question immediately arises, is this treatment likely to be effective in curing our troubles? No-one really objects to 'nasty medicine' if they can be reasonably sure that by taking it they will be cured of their malady. From our point of view the prescription looks too much like 'the mixture as before'. But before we can arrive at the answer to this question a brief examination of our troubles is necessary.

U.K. Exports down, Imports up

What has happened to our economy since January 1955, a year in which our prospects were so joyously hailed by writers in the press, and

which was to be so 'booming and buoyant'? The answer is clear. United Kingdom's share in the world's export of manufactures has fallen considerably, and at the same time we have a rising import bill. Our economic policy is aimed at expanding our share in overseas trade, not as might be supposed, with our friends in the Commonwealth and Empire, but in particular to increase our exports to the dollar area.

Hardy Annual

In other words, our old companion 'the dollar gap' is back with us. The method by which we have been trying to solve this problem is by attempting to force our goods into the dollar market. This has, in fact, been our major pre-occupation, along with our fellow members of the Commonwealth and our friends in Western Europe, ever since Lease-Lend was abruptly ended in 1945.

An interesting side-light on this very important event in post-war history is given by Mr Truman, who has recently placed on record that he would never have signed the instrument cancelling 'Lease-Lend' had he read the document first:

From *Leading Article, Rural Economy News Letter, October 1955*

The abrupt termination of this idea of Lease-Lend (which subsequently developed into Mutual Aid), plunged the whole non-dollar world into a hopeless struggle to obtain sufficient dollars for its needs. This problem has been the major cause of disturbance in the post-war trading world.

U.S. Exports Up, Imports Down

The reason why it so constantly recurs is clearly given in the U.S. Foreign Operations Administration Report on U.S. Foreign Trade Developments. Covering operations in the year 1954, the report states that in 1954 U.S. exports were up by 4 per cent and imports down by 7 per cent. It goes on to say: 'Increased exports stimulated the United States economy in 1954, and kept the decline in industrial production from assuming greater proportions. The decrease in imports, combined with the rise in exports led to a sizeable increase in the "dollar gap" during the year.'

One could not wish for a clearer explanation of why the dollar gap occurs, and when this is related to the fact that U.S., though constantly giving lip-service to the ideal of world multilateral free trade, has consistently refused to accept goods and services to the same value as their exports, one begins to see why we have failed, and will continue to fail, to close the gap.

In a year we purchase nearly twice as much from U.S. as we sell to them. In our extraordinary pre-occupation with earning dollars, we are allowing our immense potential markets in the Commonwealth to be sacrificed. We wait hopefully for U.S. to reduce its import duties, knowing full well that there are not only tariffs to overcome, but also

complicated customs procedures, the 'Escape Clause', a 'Peril Point Provision', 'Buy American Act', and Flag discrimination to protect its merchant fleet.

Why not Learn from Experience?

Our experience should surely have taught us by now that even if U.S. does reduce tariffs, when our goods begin to make serious inroads into their markets, the President is bound to raise them again.

It appears therefore that efforts to close the dollar gap by great increases in exports to the dollar market are foredoomed to failure. And if this is so all our 'nasty medicine' is taken in vain. In fact, it will only make the malady worse, by weakening our own productive position.

First we must increase our ability to provide for ourselves, and thus lessen our dependence on imports. This applies most particularly to the production of food. The figure of 50 per cent which is always mentioned as the extent to which we can go in producing our own food is simply not true. We could make it 75 per cent or even 85 per cent of home-grown food if we created the right kind of economic climate to encourage the home producer of food. The report* issued by the Rural Reconstruction Association in March of this year indicates how this could be done.

Europe and Sterling

Secondly, we should seek alternative sources of supply for some of the goods we import from the United States, thus saving ourselves dollars. As the leading nation of the Commonwealth and Empire, and with our close association with Western

*'Feeding the Fifty Million', published by Hollis & Carter, 12/6d. Available from *Rural Economy*, 2a *Queens Parade, London, N.10.*

Europe through the European Payments Union and other European organisations, we have tremendous resources on which to call. This area of the world is already responsible for about 60 per cent of the trade of the world. Yet when the Council of Europe put forward its 'Strasbourg Plan' for closer economic association between Western Europe, its overseas territories, and Britain with its vast Commonwealth and Empire, this was completely ignored by the British Government.

Canada Could Prove Decisive

Too much is often made of the fact that Canada, potentially one of the most wealthy areas of the world, though a member-nation of the Commonwealth, is nevertheless in the dollar area. The answer to this problem was clearly given by a leading Canadian who told his fellow citizens 'We must buy 7 per cent less from U.S., and that much more from Britain, and it would eliminate Britain's trade deficit with Canada.' If this were done Britain would be able to purchase more of Canada's products, and on this basis a truly reciprocal and mutually beneficial trade could be built up.

This then is an alternative policy to the one which is now being followed. Admittedly, we should still have to take some 'nasty medicine'; our own economy needs a much greater effort to be made in production of real wealth. But we suggest that the adoption of a clearly defined policy of development which our people could recognise as being within their own ability to achieve would give a much needed new impetus throughout the country.

At present, people are 'browned off' by constant exhortations to do what is virtually impossible. No real impetus to greater effort is possible under such conditions.

Finally, we must recognise that to seek expansion of international trade as *an end in itself* is wrong. It leads to bitter economic warfare, each nation struggling to capture markets from one another. As a corrective to this attitude we suggest the following little verse should be prominently displayed in all those places where international trade is dealt with:—

The farmer sells a load of wheat,
and all the world grows fair and sweet;

He hums a couple of cheerful tunes,
and pays the grocer for his pines.
The grocer, who has had the blues,
now buys his wife a pair of shoes.
That ten the shoe-man thinks God-

sent,
and runs and pays it on the rent.
Next day the rent man hands the bill
to Dr Eakins for a pill.

And Doctor Eakins tells his frau
that business is improving now,
And cheers her up and says: 'My dear,

you've been quite feeble for a year:
I'm thinking you should take a rest;
you'd better take a trip out West.'

And in a couple of days the frau
is on the farm of Joshua Howe.
She pays her board to Farmer Howe,
who takes the bill and says 'I

swow!

Here's something that just can't be beat—
this bill's the one I got for wheat.'
He hums a couple of cheerful tunes,
and goes and buys a lot more prunes.

The Sterling Area

PERHAPS the most useful international financial 'institution' of the post-war years has been the sterling area. Largely moulded according to the needs of the Second World War, it has continued since as a remarkable instance of international financial co-operation between a diverse and widespread selection of countries, mostly but not all within the British Commonwealth. Sterling finances over half the free world's trade, while the sterling area trade represents about one-quarter of the total value of the free world's trading. In respect of oil, whose part in world trade has grown so remarkably in recent years, the prominence of sterling is even more strongly marked.

The sterling oil companies (*i.e.*, British and British-Dutch) together produce outside the United States and Canada over 100 million tons of crude oil a year or one-third of the free world's production outside North America. A substantial part of other companies' oil trading is also financed by sterling. In oil, even more than in the remainder of international commerce, sterling is the dominant currency in use.

No Currency Obstacles

Thus, over a large segment of international trade there are no currency obstacles. The widespread acceptability of sterling has aided significantly also in solving exchange difficulties with the dollar area, as in the case of the agreements made by U.S. companies for selling their dollar oil in return for only partial payment in dollars, with the remaining payment in sterling or other currencies. However, with a view to the expected benefits of more free

and more multilateral trading, the governments of the sterling area countries have set it as their ultimate aim to make sterling fully convertible at more or less fixed rates into all other currencies and especially, of course, into dollars.

Convertibility of Sterling

But the time for restoring full convertibility is not yet. The sterling area's gold and dollar reserves are still too small and too much subject to fluctuations for such a step, while the uncertainty attending U.S. trade and tariff policy acts as a strong deterrent to the development of the necessary expansion of dollar-earning exports to the United States. Nevertheless, already, as well as being freely transferable within the whole sterling area, sterling is convertible into other currencies to quite a substantial degree. Many countries outside the sterling area may now freely transfer sterling among themselves. Also, through the London commodity markets, certain commodities purchased originally for dollars may be sold to non-residents of the sterling area for sterling. However, the day when residents of the sterling area will be able to get dollars freely for any transaction still appears to be far away.

U.K.'s Deficit

The magnitude of the problems still to be overcome before sterling can be fully convertible has been amply demonstrated by the recent recurrence of temporary, but nonetheless significant, balance of payments difficulties in the United Kingdom, which is the kingpin of the

From 'Money Problem', Petroleum Press Service, October 1955

sterling area. Kindred difficulties are now again being experienced in Australia, also to a lesser degree in New Zealand and South Africa. Underlining once more the close link between internal economic developments and the balance of international payments, the growing deficit on the U.K.'s visible trading account during the past year has followed principally from the persistent inflationary tendency within the U.K., temporarily aggravated in recent months by the effect of rail and dock strikes.

Increased Imports

With higher money incomes at the command of U.K. consumers, supported by comparable increases in productivity, the value of the United Kingdom's imports has risen considerably, while her exports—facing growing competition in foreign markets—have not expanded adequately. To reverse these unfavourable developments, a number of internal measures have been and are being taken, with the principal reliance

being placed on central monetary controls.

The bank rate has been twice raised, first from three to 3½ per cent and more recently to 4½ per cent, the terms of hire purchase credit have been tightened, bank credit is being steadily restricted, and investment in the public sector of the economy is being restrained. It is confidently expected in the light of the fundamental soundness of the U.K.'s economy, that these measures coupled with those taken by other members of the sterling area, as well as other developments in the international trading picture, will be effective in the strengthening of the gold and dollar reserves of the sterling area, which is essential if convertibility is to be extended. While inflation may thus be arrested, however, much of the harm it has done cannot be undone. Undoubtedly, some of the factors which make for the onset of inflation would have been more apparent in a world where full currency convertibility prevailed.

More Electricity

OUTPUT of electrical energy continues to point to a high rate of increase in industrial activity in most of the leading countries. The following is quoted from the recent report by Société Financière de Transports et d'Entreprises Industrielles (SOFINA):—

Percentage increase in 1954 over 1953	
Portugal	19.9
Austria	12.3
German Federal Republic ...	12.2
Norway	11.5
Great Britain	11.1
Netherlands	10.4
Mexico	10.2
France	9.8
Italy	8.8
Belgium	7.8
Argentina	6.2
United States	5.9
Spain	5.7
Canada	5.6
Sweden	5.4
Switzerland	2.2

NOTE: Figures for other countries, including U.S.S.R. and Japan, not available.

From SOFINA (Société Financière de Transports et d'Entreprises Industrielles)

Prices and Wages— A Burning Issue in Germany

A GREAT controversy is at present raging in the Federal Republic of Germany between employers and trade unions. The two main slogans of this public discussions are 'prices' and 'wages', and the basic problem is whether everyone concerned is sufficiently aware of the necessity of adapting his actions to the needs of the economic community as a whole. While this necessity on principle is recognised all around, it is not, unfortunately, acted on in every individual instance.

This controversy does not, as some people seem to think, revolve around the question of a wage stop. The employers as well as the German Federal Government reject any such idea. On the other hand, they do not want wages to develop in a way that would result in a considerable increase of prices and a corresponding decrease of the purchasing power of the Deutsche Mark.

To express the same thought in a more positive manner: in all those branches where it has been possible to raise productivity, both workmen and white collar workers are to have their share of the results obtained to the full extent to which this is possible without endangering the competitive ability, price stability, and financial solidity of the enterprise in question. We proceed on the assumption that the maintenance or expansion of production depends on a powerful effective consumer demand. Everybody therefore has an interest not only in the maintenance but in the increase of effective consumer demand. This, however, is

From Deutsche Korrespondenz, October 1, 1955

possible only if today's business secures tomorrow's business by providing for the upkeep and constant modernisation of plant, and if the purchasing power of the currency is not jeopardised.

The Conference Method

In order to master the present difficulties, both government and business are endeavouring to prevent the current discussions with the workers' representatives from reaching a dead end. The trade unions on the other hand find themselves in a situation that makes high demands on them. They will have to recognise that compared with former times new circumstances have arisen and that there no longer exists in West Germany a proletariat uprooted and impoverished by technical developments.

Today the major part of the German people in the Federal Republic are employees of various kinds and, being in the majority, must shoulder their share of responsibility in accordance with our democratic institutions. They are no longer in the stage of social development in which they were a hundred years ago. They are today influential in all spheres, and that means that they also have responsibilities.

Economic Democracy

After the end of the second world war there was much talk in Germany of economic democracy and of the fact that capital and labour are both equally important, and from this newly gained insight practical con-

clusions were drawn such as had previously been drawn by the trade unions in the United States. This conception of the equality of capital and labour gained the upper hand in Germany soon after 1945, and we are grateful that this has happened.

The substantial increase of the number of employees in our total population and their present much larger share in the yield of production raises a big problem. No one wants to reduce this larger share. But it is important that employees as well as employers should recognise the economic laws determining the fate of their branch and their firm, that employees should learn to distinguish between the book balances and the actual financial situation of a large part of our enterprises. They should in their own interest be able to realise the doubtful quality of book profits that are accompanied with poor liquidity. Such book profits may well produce new jobs but these will represent assets for owners and workmen only as long as permanent employment is assured.

Precautions for Bad Times

We should like to get to the point in West Germany when both employers and employees will equally realise that in times of brisk business it is necessary to pay debts back and

save funds in order to prepare for times of recession. It is only by frank discussions based on mutual confidence that this necessity can be understood all around and lived up to.

Since a decrease of the price level is probably the best means of increasing the share of everybody in total production, the Federal Government is considering whether it could by lowering certain excise taxes contribute to a controllable and therefore assured lowering of prices.

It goes without saying that we in the German Federal Republic are determined to ward off in time any possible danger to the stability of our currency and to cultivate the capital market, particularly by aiming at a gradual normalisation of credit terms. We are also aware that our impending overall reform of social legislation is inseparably linked to the problem of prices and wages. Any old age benefits can be guaranteed only if the purchasing power of the currency is maintained. We are determined to prevent the claims of aged people to a definite amount of pension from being depreciated by a decrease of the purchasing power of our currency. We do not want to increase the dependence of the aged on State aid and thus to diminish their sense of freedom.

U.K. MINISTER ON GATT

BY NIALL MACPHERSON, M.P., *Joint Under-Secretary of State for Scotland*
Writing in the Official Year Book of the Glasgow University Conservative Association,
declared that:

'WITHIN the Commonwealth we claim the right to make mutual tariff concessions by way of imperial preference, a right which under GATT received reluctant recognition, provided it was not carried further. Adjustments are needed from time to time. Sooner or later we must and shall regain greater freedom in this respect.'

Speed and the Speed Limit

BY J. J. LEEING, B.SC. (OXON.), M.I.C.E., M.I.STRUCT.T. (Fellow)

It is often said that the principal cause of accidents is excessive speed. This is largely true. But those who say it almost invariably go on to assume that it is only true of motorists, and ignore the fact that others may be guilty of excessive speed, even pedestrians.

This latter statement may seem surprising, but it is literally true. It is seldom realised that, at a slow walk, a pedestrian can place himself in a dangerous position on the road in less than the ordinary motorist's reaction time. In fact, laterally—*i.e.* across the road—the pedestrian is the fastest road user. He can, in fact, convert what is a reasonable speed on the part of a motorist or cyclist into a dangerous one in less time than the other can even realise what is happening, let alone take any action. If he does so, there is bound to be an accident. The wheeled road user cannot work miracles. This is true no matter what the speed of the wheeled road user.

Rights and Duties

We are often told that the pedestrian has 'rights'. Presumably this means that he has first right on the road, and can do as he pleases. This is frivolous. First, as mentioned before, it presupposes that the motorist can work miracles. Second, there is no such thing as a right without a corresponding duty. Third, we are all motorists even if we do not own a car. Our standard of living depends on the motor vehicle. We have to accept that as a fact. If we ask the motorist to accept a limitation on his speed for the sake of the community, it is only reasonable to

This is a limit which is not rigidly enforced, but is put up to 'put every man in remembrance of his duty.' If he is caught going faster than the limit, he has to prove that his speed was safe and reasonable, and vice-versa. Figures authoritatively recommended in the U.S.A. (10) are 25 m.p.h. in towns, and 50 m.p.h. in the country. There is much to be said for this, and it would probably meet with general approval, especially on the part of motorists, and might easily be more generally observed. It might be difficult to enforce, but possibly no more so than the present one, and in any case that is no real valid argument against it if the principle is sound.

It is sometimes claimed that the introduction of the present limit in the early 'thirties produced the reduction in accidents which has

occurred since then. There is no evidence worthy of the name to support this. At the time the limit was introduced much publicity was given to accidents, the pedestrian crossing was introduced, many improvements were made in motor vehicles, and so on. One development which must have made a vast difference was the introduction of four-wheel brakes on cars, and their gradual improvement. In fact the claim the writer once heard made that the accidents fell because four-wheel brakes enabled the motorist to save the lives of more fool pedestrians has nearly as much justification as the claim for the speed limit!

One fact telling against the claim is that other accidents have fallen as well as those on the road. It is unthinkable that the speed limit could have affected these.

British Traffic Census, 1954

Goods Vehicles Twice Pre-war

A sample of the traffic counted on mains roads during the 1954 road traffic census shows that the average number of mechanically propelled vehicles passing the 300 points selected for the sample was 38 per cent greater than before the war. There were twice as many goods vehicles, 41 per cent more buses and coaches, and 19 per cent more cars. But the number of pedal cycles was a third less than in 1938 and horse-drawn vehicles were very few.

The 1954 census arranged by the Ministry of Transport was the first comprehensive census since 1938. It covered 5,830 points on Trunk and Class I roads and lasted seven days from Monday, August 16th to

Sunday, August 22nd. Counts continued from 6 a.m. to 10 p.m. each day, and there was also a night count at selected points during the intervening eight hours.

While the full results are being studied and summarised, the sample of 300 points has been specially analysed by the Ministry to assess the changes in the volume and character of traffic. These 300 points were situated on the more important trunk and classified roads in all parts of the country.

Wales Increase Greatest

The largest percentage increase in mechanically propelled vehicles occurred at the points in Wales, where both goods and passenger traffic

From *British Roads Federation Monthly Bulletin*, October 1955

Honoured in the Breach

Turning to the present speed limit, there is no doubt that it is widely disregarded. It is almost impossible to enforce, and the police must of necessity prosecute for breaches of it in places at which a speed of 30 m.p.h. is not dangerous. If they did not do this, then when they follow a speeding motorist in another car they would be driving dangerously themselves. A prosecution based on this type of evidence is, in fact, an admission that the limit is unreasonable.

Any arbitrary limit must be wrong in principle. It must be too fast in some circumstances, and in others it may be unreasonably slow, and if the motorist is fined for it he must have a sense of grievance and be a worse citizen generally. He will tend to feel that the law has been passed to persecute him, not to help him in safety.

A 'Prima Facie' Case

Yet it is difficult to see how it could be abolished. Public opinion—would prejudice be a better word?—would certainly not allow of this. A possible compromise, which is well worthy of study, would be the American 'prima facie' limit (10).

were heavier relative to 1938 than at the remaining points. Numerically the largest increases occurred at points in the Metropolitan area. (The Metropolitan area excludes Inner London where traffic counts are taken by the Metropolitan Police.)

The percentage of goods traffic passing all points amounted to 26 per cent of all mechanically propelled traffic compared with 18 per cent in 1938. Over half the mechanically propelled traffic, however, was still made up of cars. In the motor-cycle class 70 per cent were solo machines including 7 per cent of motor-assisted pedal cycles.

There were only slight variations in volume and composition on the five weekdays, but much greater changes on Saturday and Sunday. The volume of mechanically propelled vehicles of all kinds rose by 20 per cent above the weekday level on the Saturday. There were approximately 50 per cent more cars on Saturday and 40 per cent more on Sunday than on the five weekdays, while goods vehicles were naturally much fewer on both days, being

down to just over half the weekday level on Saturday and to less than a quarter on Sunday.

Peak Hours

On weekdays the peak hour at the 300 points was 5-6 p.m. when more than 9 per cent of the day's traffic passed. On Saturday the peak occurred earlier (between 2 and 3 p.m.) and on Sunday it occurred between 7 and 8 p.m. when over 10 per cent of the day's traffic was recorded.

The changes in traffic at these 300 points probably indicate the changes which occurred over the whole country during the census week, but they do not necessarily represent the traffic throughout the year. The figures shown for the Ministry's engineering divisions, which are based on a small number of census points, may not be fully representative of the changes in those divisions, it is stated. The majority of the census points, in the full census and in the sample, are outside the built-up areas of towns so that the results reflect, in the main, conditions on the open road.

American Private Investment Abroad

There is every indication that the advance in private investment is continuing. Net U.S. purchases of European securities, for instance, were \$100 million in 1954, and \$55 million in the first half of 1955. Nearing the operational stage is the International Finance Corporation, projected affiliate of the World Bank, which is expected to stimulate further the international flow of private capital. One impressive sign

of current trends was the recent formation in the United States of a new private corporation—appropriately titled International Investors—with the express purpose of investing in selected foreign securities. John C. van Eck, Jr., President of the new company, has pointed out that 'many foreign securities offer attractive opportunities for growth. In my opinion we are entering a new era of private foreign investment.'

From *The Eastern Economist*, September 9, 1955

American Investments in Asia

U.S. Foreign Grants and Credits Post-War Period

(1 July 1945—31 March 1954)

(Millions of dollars)

July 1945 — March 1954 After Korean Invasion

(25 June 1950)

Grants Credits Total Grants Credits Total

<i>All Countries</i>						
Economic and Military Aid	34,482	11,082	45,510	17,501	1,740	19,241
Military Aid	9,806	—	9,806	9,743	—	9,743
Economic Aid	24,676	11,082	35,704	7,758	1,740	9,498

Economic Aid to Asian and Middle East Countries

Turkey	151	96	247	142	30	172
Egypt	4	6	10	4	—1	3
Iran	74	24	98	82	3	84
Israel	186	123	308	185	91	276
Saudi Arabia	3	11	15	1	2	3
Other Near East and African*	122	—16	106	104	—2	102
Japan	2,400	79	2,479	440	65	506
Taiwan	965	107	1,072	266	—13	253
South Korea	893	21	914	549	—	549
Philippines	720	84	804	165	19	183
India	29	230	259	57	187	244
Indonesia	97	118	216	14	38	51
Pakistan	85	15	100	85	15	100
Indo-China	69	—	69	69	—	69
Afghanistan	1	22	22	1	21	22
Thailand	17	2	19	17	—3	13
Burma	16	3	18	16	—2	14
Other and unspecified	—	—	—	—	—	—
	21	—	21	17	—	17
Asian and Middle East Total	5,853	925	6,777	2,214	450	2,661

Note: Owing to roundings, components do not necessarily add to totals.

*Includes unspecified African countries other than Union of South Africa, Liberia, and Egypt.

From *Foreign Grants and Credits by the United States Government, A Report prepared for the use of Congress and Government Agencies, March 1954, U.S. Department of Commerce, Office of Business Economics*

First Principles of Planning

THERE is still a tendency for people to be classed as pro-planners and anti-planners, just as they were formerly classed as socialists and anti-socialists. Both discriminations are, philosophically if not politically, untenable. No person who reflects for a minute can believe that everything or nothing in a modern state should be socially or governmentally owned, though some may want social ownership limited to the minimum and others favour its extension to the practicable maximum. Idealistic or quasi-religious attitudes apart, the real question before society is not whether there should be any governmental ownership of things or control of personal and private group activities or not, but how much of it there should be and where it should stop.

We make no secret of our own bias in the matter of land-use or of any other human property or activity. Personal freedom, including freedom for group activity, is a precious value in itself. Therefore laws, or government, or social control, should be limited to what is necessary to serve generally-agreed purposes. Government should never be regarded as a good thing in itself. It always has to be justified by its producing more personal or group or social advantages than it destroys.

Public Enemies?

It is common form just now for leader writers in some papers to assume that 'planners' are the natural enemies of commonsense lovers of private freedom. We know no such 'planners'. But colour is lent to the assumption when advocates of

particular aims or possibilities of land-use control stress them at the expense of aims of wider appeal. There is a great need to get the general public understand that there are fundamental human interests that planning alone can now protect and advance.

Private and Public Good

The necessity of control rises from the simple fact that some persons' or groups' use of land, for their own good, can seriously injure the interests of other persons and groups. There are cases as plain as robbery or violent assault, the restraint of which by the criminal law no one for a moment questions. The clash of noxious industries and houses is an obvious extreme case; a blood-boiling factory next door would make the blood of any resident boil; and not even an evening paper leader writer would rage at the tyranny of planners over blood-boilers. Modern planning in fact began with zoning, of which the necessity is everywhere accepted.

It has taken longer for the public to realise that, even where work places are zoned, a large concentration can compel thousands of occupied persons to travel long distances daily to acceptable home districts, other thousands to live huddled closely together, and streets to be overcharged with traffic. Only recently has it been seen (and not by everybody) that the public provision of rapid transport and subsidies for flats have the effect of perpetuating uneconomic business concentrations, and of discouraging spontaneous removals from them.

From Town and Country Planning, October 1955

Intelligent Control

In city development we have long had governmental intervention (with the full support of freedom-loving leader writers) at enormous cost in administrative effort and cash. It was a sort of 'planning': one-eyed planning, bad planning. What is now emerging is not an adventure of government into a new sphere. It is a substitution of intelligent control, with a measured allocation of land-use, for a clumsy opportunist control.

One of the latest public realisations (still confined to a minority) is that the individual or group quest for pleasant living conditions or commercial profit can cause waste of the national asset of food-growing land, and depreciate the asset (even less priceable) of countryside beauty. It is easy to see that only the public control of land-use can avoid such waste and depreciation. But pre-occupation with this particular danger can lead, has in fact already led, to a policy injurious to living conditions and industrial efficiency.

Balanced Policy

The multiplicity of motives for

accepting town and country planning makes it essential that a wise and balanced philosophy of planning should be developed, and disseminated as widely as possible. Fundamentally the aim can only be the optimum satisfaction of all the personal and group claims on land of our 50 million people—for their homes, their food supply, their industries, their culture, and their social interchanges. Desires as to ways of life and initiatives for enterprise are the concern of persons and groups, and in a free society cannot be planned. A sound planning policy will begin with respect for these in all their infinite variety, and an intention to apply to demands on land-use only such restriction and guidance as will reduce to a minimum the injury that anyone's use inflicts, directly and indirectly, on the interests of others. Such a beginning, of course, does not take us far in a programme of good planning; but at least it takes it a stage beyond such single-purpose programmes as Three Acres and a Cow or the Preservation of the Countryside or Industry First or Beauty Over All.

PRODUCT PER HEAD IN A NUMBER OF AFRICAN TERRITORIES

	Year	Dollars
*Belgian Congo	...	60
*Gold Coast	...	102
*Kenya...	1950/51	40
	1952	32
*Nigeria	...	130
*Northern Rhodesia	1952/53	150
	1952	38
*Southern Rhodesia	...	271
*Uganda	...	...
Union of South Africa	1952/53	...

Conversion into U.S. dollars at 2.86 = £1

*From U.N. Report on Scope and Structure of Money Economies in Africa, 1955.

Digest Reviews

BRITONS OVERSEAS

Peopling the British Commonwealth. By G. F. McCleary. *Faber & Faber*; 18s.

Dr McCleary has given an important service in bringing together the main facts affecting the redistribution of the population of the Commonwealth. He traces the growth of the Commonwealth, the pre-(1914-18) war pattern of emigration, and the birth and death rates in Britain. He then deals with the position of Australia, Canada, New Zealand and South Africa and discusses current trends in migration policies. The book excludes the new Asian Dominions and the Colonial Empire, for 'they cannot be regarded as suitable destinations for large-scale migration from Britain'.

Although Dr McCleary is a believer in large-scale emigration, his view is a balanced as well as a knowledgeable approach to the question. His book should be carefully studied by all who recognise the importance of 'a unified Commonwealth of the British people'.

VICHY-ETAT

Vichy: Political Dilemma. By Paul Farmer. *Columbia University Press*. London, *Geoffrey Cumberlege*; 30s.

Dr Farmer writes a heavy academic style overweighted with latinisms (has the American Republic of Letters ceased to be 'Anglo-Saxon'?) but he has given us a thorough and so far unrivalled survey of the Pétain regime and its 'National Revolution'. Many of the author's general observations show keen perception and he is fair to the

Marshal and indeed to the main participants in the Vichy experiments. One can see that there was good in many of the social ideas and reforms then current and from the material provided here one can trace a connection between the realism (or defeatism) of Vichy and the 'Little Europe' of some federalists in recent years.

MAPS AND CHAPS

Political Geography and the World Man.

By Y. M. Goblet. *Philip*; 30s.

'A politico-geographical complex is always a compound of geographical and the human elements; therefore the optimum territory is determined by a physical soil and a political society, as well as by the power of expansion, and the development of this society'.

Economists and politicians should read or refresh themselves from this masterly and fascinating book. It discusses such often confused concepts as race, nation, State, empire and it serves as a powerful corrective to those who try to understand world affairs while neglecting geography.

The author, a Frenchman, has based his conclusions on lengthy geographical and economic study of France and Great Britain. He gives great credit to Sir William Petty, 'the pioneer of political geography', and to Sir Halford Mackinder.

GERMANY IS BACK

Back into Power. By Alistair Horne. *Max Parrish*; 18s. 6d.

Dr Adenauer, who was recently

negotiating in Moscow on behalf of a Republic whose central position in Europe is not merely geographical, has come a long way since he first became its Chancellor in 1949. As the *Daily Telegraph* correspondent in Germany from 1952 to 1954, Mr Horne witnessed the Germans' successful struggle to survive the collapse of 1945; and the rising in the Eastern Zone in 1953. Dr Otto John, who went over to the East, was his friend. His range of acquaintanceship was from Naumann, the neo-Nazi, to Chancellor Adenauer himself. He concludes with an account of an interview in which the Chancellor gives his views on Germany's future.

NEW EDITIONS

Economics: An Introductory Analysis. By Paul A. Samuelson. *McGraw-Hill*, 1955; \$5.75 (30s.)

The Professor of Economics at the Massachusetts Institute of Technology has thoroughly revised the third edition of this monumental work and added chapters on economic growth, underdeveloped countries and war economics. The chapters are self-contained and cover the main economic problems of our times. Professor Samuelson is conventional in his approach but provides the reader with the opportunity and the information, clearly and attractively expressed, to make up his own mind.

Economics of Industrial Organisation. By A. Beacham, M.A., Ph.D. *Pitman*; 16s.

This is a new edition of a brief and authoritative survey of British Industry, mainly intended for students beginning economics. Questions of monopoly and the scale of industrial

organisation provide some topical reading.

A History of Economic Thought. By Eric Roll. *Faber & Faber*; 30s.

This is a new and completely revised edition of a book which has already run into several editions. The author says of this new edition, 'There is hardly a page of the present edition which has not been substantially altered'. Some new material has been added, including an appraisal of Marx, and a final chapter in which the author describes the broadening of Keynesian influence and the contribution made by new statistical work.

More than half the book is devoted to the history of the last 100 years, and the author deals in some detail with the criticisms of classical economics which made their appearance in the last century and have made their influence felt in current economic thinking.

ESSENTIAL ECONOMICS

The Theory of Economic Growth. By W. Arthur Lewis. *Allen & Unwin*; 30s.

The Essentials of Economics. By Douglas C. Hague and Alfred W. Stonier. *Longmans*; 12s. 6d.

Professor Lewis is the right man to tackle a modern study of the theory of economic growth, not fully covered since John Stuart Mill's *Principles of Political Economy* of 1848. He deals most remarkably not only with the reasons for growth and decay but with the part played by such institutions as the family, religious tenets and class. Economics is thus kept in the proper perspective of human and social relationships. Consideration is also given to the

effect on economic growth of such factors as population, the propensity to save and to make war. Professor Lewis finally enters a field which he has very much made his own, that of the problem of stimulating economic growth in the less advanced corners of the globe.

Both Professor Lewis's work and *The Essentials of Economics* can be read for pleasure as well as enlightenment. The latter book is intended for university students taking intermediate or diploma courses in economics and for professional students. Its economic theory is very closely related to the practical problems which confront businessmen and politicians of our present world.

Approaches to Economic Development. By Norman S. Buchanan and Howard S. Ellis. *The Twentieth Century Fund*. U.S.A.; \$5.

The Twentieth Century Fund, a non-profit foundation founded in 1919 for scientific research and public education on current economic and social questions, are the publishers of this comprehensive study of the problems of economic development. The authors, both of whom are professors of economics at the University of California, survey the undeveloped areas of the world and the methods by which they may be assisted towards greater economic progress.

The important part which the U.S.A. has to play in this field of economic development is strongly emphasised, and the authors are critical of some aspects of present policy. They wish to see the United States embark upon a much bolder free-trade policy to spur on the creation of a world-wide system of free-trade. They recognise that free and open trade is praised as an ideal

by nearly all nations, but is practised by few, but they urge that it is in the U.S.A.'s own economic interest to expand trade in both directions.

Recognising the part played by the U.S. economy in the world, the authors recommend in a chapter entitled 'Interests and Responsibilities of the United States' that its own economy must be stabilised, that it must abolish import barriers and promote free multilateral trade throughout the free world, help stabilise the income of raw-material-export countries and supply guidance for investment programmes and monetary policies in developing countries!

In studying the processes of economic development the report makes a thorough exploration of the economic, political and social factors which have promoted or delayed economic progress in the industrialised countries of the world. The authors then go on to estimate how these factors apply to countries now in process of development. In the final analysis, however, the authors recognise that the mainsprings of economic development must come from within the developing economies, for sustained economic development can come only from indigenous resources.

The Economics of Inland Transport. By A. M. Milne. *Pitman*; 25s.

In this book, the author, who is Lecturer in Economics at Kings College, Durham University, discusses transport questions in relation to the wider economic problems of the employment and use of scarce resources. He goes fully into the complex problems of costing and pricing and also discusses some of the difficult problems which confront the nationalised industries in Britain.

Essays in Public Finance and Fiscal Policy. By Gerhard Colm. *Oxford University Press*. (London: Geoffrey Cumberlege); 38s.

The author of this book, Dr Gerhard Colm, is Chief Economist of the National Planning Association in U.S.A. During the years 1934 to 1954 he wrote a number of important essays covering the different tasks presented to those in control of public and fiscal policy, and this book presents these essays in their original form. The author comments: 'There was a temptation to rewrite some of the essays included in this collection. Thereby the author could perhaps have advanced his standing as a prophet, but the educational value of the essays would not have been furthered.' Of particular interest to economic students are the two final chapters entitled 'Economics Today', and 'Setting the Sights'.

MR AMERY'S THIRD VOLUME

My Political Life: Volume Three: The Unforgiving Years 1929-1940. By the Rt. Hon. L. S. Amery, C.H. *Hutchinson*; 30s.

Mr Leo Amery's political biography is a legacy from a great patriot, man of State and man of letters, which will be reckoned a prime source book for historians of our times.

1929-1940 was a period in which World Depression and World War followed the inevitable failure of bankers and statesmen to revive the dead era of the nineteenth century. Mr Amery reminds us that the crisis of 1929 was a 'dollar gap' crisis, and his absorbing account of international relations in the inter-war years shows how self-determination

and the League were no substitutes for a European system firmly founded upon nation states and nation groups reflecting historic, geographical and economic realities. The dominant philosophy of too many of the world's rulers put whole peoples at the mercy of economic laws and internationalist delusions. The Ottawa Agreements were accepted by the United Kingdom as a corrective to Depression. For Mr Amery and the Empire Economic Union, they should have marked the beginning of a new age of Commonwealth development. But they were whittled down rather than carried forward and the sound principle of national group economies helping to balance each other through mutual preference was not applied in Europe. Europe's loss was Dr Schacht's and Hitler's gain.

Mr Amery consistently asserted national against cosmopolitan principles. He condemned *laissez-faire* as much as Socialism. His very outspokenness and keen intellectual perception helped to keep him from office. He recognised both the excesses of Fascism and the constructive corporative idea. He has long believed in a European Commonwealth as the strategic and economic complement of the British Commonwealth of Nations.

Leo Amery foresaw the Managerial Revolution. He pleaded for Home Agriculture, the Merchant Navy, universal Citizen Service, Family Allowances. His first-hand appraisals of contemporary statesmen are just and acute. With Churchill he was in recurrent conflict and comradeship. Both men were Imperialists and Social Reformers, but Churchill saw English greatness as built on cheap food. They separated on the India Bill of 1935. Both found new opportunity in the crisis of 1940

and in Amery, Marlborough's descendant had a worthy lieutenant, for whom he grieved as a friend when the nation and Commonwealth said farewell to a great counsellor and servant.

EAST INDIAMEN

Parry's of Madras: A Story of British Enterprise in India. By Hilton Brown.

This is the story of East India traders not of John Company who have contributed much to the making of Madras and of modern India. The author, who writes on behalf of the firm which has itself produced the book, is a retired Indian civilian who served in the Madras Presidency and has not only the knowledge but the penmanship to tell a tale of British initiative and enterprise and of skilful fingers in many Oriental pies. Englishmen and Scotsmen came to India as traders and that is how they remain.

FRENCHMEN SUBMERGED

Abbé Pierre and the Ragpickers. By Boris Simon. Harvill Press, 15s.

The tiresome journalistic style in which this book is written cannot detract from the moving story it tells of Christian poverty and sacrifice. The recovery of the French economy should not blind us to the suffering of many in Paris and other large centres. The Ragpickers were those who, organised by Abbé Pierre, former Resistance fighter and ex-Deputy, combed dustbins, rubbish-heaps and sewers to get a livelihood from salvage. This book will prick many consciences.

SHORTER NOTICES

Between Liberation and Liberty. By Karl Gruber. Andre Deutsch Ltd; 18s.

Dr Gruber, former Austrian Foreign Minister, is now 'exiled' as Austrian Ambassador in Washington because he wrote this book. His colleagues in the Austrian Government felt he had given too frank an account of events in post-war Austria!

Sub-titled 'Austria in the Post-War World' this book gives a most interesting account of Dr Gruber's negotiations with the Great Powers, over the Austrian Peace Treaty, and with Italy and Yugo-Slavia over the problems of South Tyrol and Carinthia.

Dr Gruber writes interestingly and with a sense of humour and has been well translated by Lionel Kochan.

The Robots are Among Us. By Rolf Strehl. Arco Publications Ltd; 16s.

In his preface the author writes, 'The freedom and dignity of man are in dire peril. Not only are they threatened by political "isms", but, in particular, by the staggering progress of modern technique, by automats and new appliances.' The immense implications of the 'Second Industrial Revolution' have scarcely been recognised, and this book should play a considerable part in awakening public opinion to the frightening possibilities of the 'machine age'. For, as the author shows, the advent of the 'Robot' machine can mean advances in efficiency and improved living standards with greater leisure. The alternatives presented make disturbing reading, the control of men by machines with the eventual possibility of mass destruction.

A fascinating account is given of the principal 'thinking machines'

which have been invented from the middle of the eighteenth century up to the present day. There are some striking illustrations.

The T.V.A. By Gordon R. Clapp. The University of Chicago Press (for whom Cambridge University Press act as agent); 27/6.

The work of the Tennessee Valley Authority has commanded worldwide interest and respect. The author of this 206-page book is a man who has been intimately concerned with this development for a period of 20 years. Gordon Clapp was first associated with T.V.A. in 1936 and ten years later was appointed chairman of the Board, a post he held until 1954, when President Eisenhower did not renew his appointment. The subject of much controversy in U.S.A., this book is a forthright statement of views by one who has played a significant part in this vital new approach to conservation and development.

Mr Clapp maintains that 'T.V.A.'s record of economy and efficiency

denies the myth that enterprise and good management are the exclusive possessions of private industry'.

An Economic History of Sweden. By Eli F. Heckscher (translated by Göran Ohlin). Harvard University Press. (London: Geoffrey Cumberlege); 40s.

Eli Heckscher, whose death in 1952 deprived Europe of one of its leading economic historians, was Professor of Economic History at Handelshögskolan, Stockholm from 1909 to 1949. This book gives for the first time in English a comprehensive survey of the development of Swedish economy from the early Middle Ages to the outbreak of the First World War. It was condensed from a vast mass of material which the author assembled for a four-volume work published in Sweden in 1935-50. A supplement entitled 'The Disintegration of Nineteenth-Century Society' has been added by the author's son, Gunnor Heckscher. There are a number of attractive illustrations as well as informative tables, maps and charts.

CLASSIFIED ADVERTISEMENTS

(RATE: two shillings per line.)

BOOKS AND PUBLICATIONS
'New Books on International Affairs'—An International Bibliography prepared fortnightly by Humanitas Books Limited. Free, world-wide and up-to-date information regarding publications in the fields of Economics; Sociology; Politics; International and Current

Affairs; Law; Finance; Commerce. Write for specimen copy to: Humanitas Books Limited, 3-4 Goodwin's Court, St Martin's Lane, London, W.C.2.

Economic Digest: Required back numbers of issues for June and July 1955. Please send to Editorial Centre: 47 Eaton Place, London, S.W.1. Say if payment required.

FOR REFERENCE

Items in this Section will be kept for one year at 47 Eaton Place, London, S.W.1 (telephone SLOane 7516). Any of our readers and any member of the Economic Research Council who wishes to refer to any of them is invited to apply to that address, citing the appropriate number of numbers (given in brackets after each item).

New Light on Co-Partnership

Co-Partnership Re-examined, by William Wallace, O.B.E. *The Industrial Co-Partnership Association*, 36 Victoria Street, London, S.W.1. 4s. 6d. *With a Preface by the Rt. Hon. Sir Geoffrey Shakespeare, Bt.*

The Chairman of Rowntree who is also President of the Industrial Co-Partnership Association approaches his subject in a practical fashion and describes how a number of leading British firms share their profits with their workers. (698)

Co-Partnership No. 482, September 1955.

This number of the Journal of the Industrial Co-Partnership Association includes a Report of its 1955 Summer Conference. (699)

Blood on the Roads

Metropolitan Police District: A Statistical Analysis of Road Accidents in 1954. Published by The Commissioner of Police of the Metropolis, New Scotland Yard.

Casualties in 1954 were 46,227, an increase of 4,024; 9.5 per cent, over 1953. Pedal-cyclists suffered 16 fewer fatal casualties than in 1953, but 219 more were injured. Other kinds of accidents increased. (700)

Local Finances

Nottinghamshire: The Finances of the Local Authorities for the Administrative Capital, 1955-56.

Useful for students of English Local Government. (701)

British Overseas Investments

United Kingdom Overseas Investments 1953. Bank of England, 1955.

This paper continues a series of estimates first published in October 1950 in a pamphlet entitled 'United Kingdom Overseas Investments, 1938 to 1948' and continued since in papers issued in connection with the Annual Report of the Bank. The estimates cover the investments of residents of the U.K. through the medium of securities quoted on, or otherwise known to, the London Stock Exchange, including U.S. and Canadian dollar market securities on which information is available to the Bank through the operation of Exchange Control. (702)

British Savings

National Savings Committee Annual Report 1954-5. H.M. Stationery Office, 1955; 1s. 9d.

Reports substantial achievement in the financial year ended March 31, 1955. (703)

Liberty and Law

The Political Ideal of the Rule of Law, by F. A. Hayek, F.B.A., *National Bank of Egypt 50th Anniversary Commemorative Lectures, Cairo, 1955.*

The lecturer is Professor of Social and Moral Science in the University of Chicago (Committee on Social Thought). Stimulating sub-titles include 'The Socialist Revolt Against the Rule of Law', 'The English

Socialist Jurisprudence' and 'The Decline of the Rule of Law in America'. (704)

Graphic Growth

Business Conditions U.S.A.: A Brief Graphic Review.

Graphs showing the dynamic growth of American industry, prepared by the Irving Trust Company of Wall Street. (705)

Californian Canned Fruit

Pacific Coast Canned Fruits—F.O.B. Price Relationships, 1954-55. Division of Agricultural Sciences, University of California.

Professor Sidney Hoos of the Ginn Foundation of Agricultural Economics' California Agricultural Experiment Station presents Mimeographed Report No. 178 of July, 1955, on cling peaches, pears, apricots, freestone peaches and fruit cocktail. This supersedes two earlier essays. (706)

Indian Banking

Statistical Tables relating to Banks in India for the year 1954. Reserve Bank of India, Bombay.

This is the thirteenth in the series since publication of the Tables was taken over in 1941 by the Reserve Bank. It covers all Banks functioning in the Indian Union, whether registered there or outside. (707)

Opposites

1. *Liberalism and International Trade*, by Paul Barreau. *Ramsay Muir Educational Trust (19 Brancaster Lane, Purley, Surrey); 6d.*

Mr Paul Barreau's Ramsay Muir Memorial Lecture delivered at Oxford on July 17, 1955, with Peter Wiles, M.A., of New College, in the

Chair, re-states the orthodox case for liberal trading policies. (708)

2. *It Will Not Work; The Fear of Retaliation; Faith Unkept. Empire Industries Association and British Empire League (Craig's Court House, 25 Whitehall, London S.W.1).*

These three articles reprinted from this body's Monthly Bulletin for August, September and October, 1955, plead for Imperial Preference and meet the argument that the danger of retaliation makes its extension impossible. (709)

Ulster Prospect

The Voice of Industry, September, 1955. Special Northern Ireland Edition. Aims of Industry (12 Carteret Street, London S.W.1).

A most attractive and brightly illustrated survey of the economics of Ulster. (710)

Primary Production

Yearbook of Food and Agricultural Statistics, 1954, Volume VIII, Part I, Production. U.N. Food and Agriculture Organisation, Rome, 1955. Exhaustive and universal statistics. (711)

What To Do With Agricultural Surpluses—

Uses of Agricultural Surpluses to Finance Economic Development in Under-Developed Countries: A Pilot Study in India, U.N. Food and Agriculture Organisation, Rome, 1955. (Commodity Policy Series No. 6.)

See 'Setting Surpluses to Work', by Jorian Jenks, on page 427 of the September Digest. (712)

—and with Rice

The Stabilisation of the International Trade in Rice: A Report on Possible

Measures, U.N. Food and Agriculture Organisation, Rome, August, 1955. (Commodity Policy, Series No. 7.) Considers existing international agreements for wheat and sugar and the proposed tin agreement with a view to like arrangements for rice and considers the main problems involved. (713)

The State of Switzerland

1. *A Review of Economic Conditions in Switzerland during 1954. Credit Suisse.* Looks back on a boom year, and studies the economy, industry by industry. (714)

I.M.F.

International Monetary Fund Annual Report of the Executive Directors for the Fiscal Year ended April 30, 1955. Washington, D.C. Contains a somewhat optimistic survey of the Prospects for Convertibility. (715)

Four P.E.P. Reports

1. *Industrial Trade Associations. Planning Vol. XXI, No. 383. July 25, 1955.* Places in proportion the sometimes sensational allegations about monopoly in British trade and industry. (716)

2. *Balance Sheet of the Press. Planning, Vol. XXI, No. 384. August 8, 1955.* A useful appendage to P.E.P.'s famous Report on the British Press, published in 1938 and now out of print. Includes a section on television advertising. (717)

3. *Better Industrial Design. Planning, Vol. XXI, No. 385. September 12, 1955.* Describes the efforts made, and to be made, by Government and

industry to improve the design of British manufactures. (718)

4. *How Many Houses? Planning, Vol. XXI, No. 386. October 3, 1955.* Concise material useful in the consideration of the housing question in Britain today. (719)

(The above are obtainable from *Political and Economic Planning*, 16 Queen Anne's Gate, London S.W.1).

European Reports

1. *Decisions of the O.E.E.C. Council concerning the Prolongation of the European Payments Union to June 30, 1956, the Establishment of a European Monetary Agreement, and the Amendments to the O.E.E.C. Code of Liberalisation. O.E.E.C. Paris, August, 1955.*

This Memorandum of the O.E.E.C. Secretary-General includes a description of the change in the gold/credit settlement ratio in E.P.U. (720)

2. *The Problem of National Refugees and Overpopulation in Europe. Report presented to the Committee of Ministers by M. Pierre Schneider, Special Representative of the Council of Europe for National Refugees and Overpopulation in Europe.*

This Report called for joint efforts and a more liberal immigration policy to help absorb refugees and migrants. It was generally approved by the Committee of Ministers on December 19, 1954. (721)

3. *The Organs of the Consultative Assembly. Report submitted on behalf of the Bureau of the Consultative Assembly by M. Van der Goes van Naters. Strasbourg, June 17, 1955.* Of interest chiefly to Council of Europe delegates and specialists. (722)

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