methods that can only be described as industrial warfare.

Few people will deny that the unions are in urgent need of reform and that their attitudes and methods are out of date and out of place in our present society. But that is no justification for pinning the blame on them for our economic difficulties. It is as unjust and as absurd as it is to blame the entrepreneurs, who have had their share of exhortation and blame. Government policy or Government lack of policy alone is responsible for the symptoms (mistaken for causes) which are everywhere around us today. Where did it all go wrong?

The answer, we think, lies in the fact that reformers and politicians no longer have a touchstone for testing their remedies for social problems. "Pragmatism" and "empiricism" are the words of today and *ad hoc* remedies hold the field. Political economy, for all its incompleteness, did provide a touchstone, but this science has itself become a victim of political nostrums, corrupted and contaminated through its necessity to justify political expediency. What was once clearly recognisable is no longer so. The economic foundations of society seen with clarity by the early classical economists now appear to defy analysis by our contemporary theorists. The fundamental principles of Adam Smith's views on trade, Henry George's views on land, and Lincoln's views on personal liberty have been forgotten, and pseudo economics has taken their place. In this neglect of fundamental principles lies the root of our present troubles.

Can a path be found through the present maze of tangled economic thought? One thing is certain: it cannot be found in state control and direction; restraint can only stifle growth. But the recognition by politicians of the importance of growth is not enough. What is required is the fostering of an atmosphere for growth and a just basis for the distribution of wealth by means of land reform, free trade, competition, sound money and individual freedom.

A FIRM HOLD ON PRINCIPLE

THE stability that the larger political parties can found upon the enjoyment, expectation or recent memory of power can be derived by the Liberal Party only from a firm hold upon principle. There was little indication of that in those chaotic conference debates. It is sad to say this of the party of Cobden, of Gladstone, of Asquith, at a time when mutual charges between Conservatives and Socialists of stealing one another's clothing might open opportunities for the man who could dress Liberalism anew in shining armour. No such hero at Brighton.

—*The Daily Telegraph*, September 24

Into The Trap

Extract from a speech by The Rt. Hon. J. Enoch Powell, M.B.E., M.P. *at Bristrol, September 29.*

THE LABOUR GOVERNMENT have persuaded the whole of industry to join with them in a planning operation which is either nonsensical or sinister. It is nonsensical unless a particular economic pattern is going to be imposed on the nation by compulsion. It is sinister if that is the direction in which it is intended to lead. The precedent has been set: it will be harder next time to demur. The success of the Prices and Incomes policy, not of course in producing any effect on prices and incomes or inflation or the balance of payments, but in paving the way to state socialism, has been phenomenal. If prices rise, blame the shopkeeper: if goods are scarce, hang the merchants. "What can be more obvious," says the politician to his dupes, "than that prices go up because somebody is charging more?"

Inflation was still going on and those in the rest of the world who had any sterling showed an increasing desire to change it into some other currency. The Government sternly complained that the country was not playing the game; people were not — to use that silly pernicious humbugging word—"restraining themselves" enough. There would have to be compulsion—ever so little, mind you, just compulsion to tell the Government when ever one was intending not to "restrain oneself." The General Council of the T.U.C. and the unions smelt a rat, but their scruples were overcome and they went along all right, as of course did the employers.

Some of us were saying that this could only be a prelude. The Government would not just collect the early warnings and file them as material for economic historians in years to come. Logic and the force of events would make it impossible to stop there. But I confess that even we were surprised how soon our prediction was fulfilled. Almost at once statutory powers, though held in suspense like a sword of Damocles, to enforce control of prices, including the price of labour, were rushed and forced through Parliament by an unparalled abuse of its procedures.

At this point the Labour Party began to change their tune. They were now heard to say—quite correctly that controlled prices, including controlled prices of labour, are part of the essence of socialism: Planned incomes and prices, it is called; but since the behaviour of people and things, this means planning people and things—which is also what socialism is about. But by now the trap had closed, and the victims were well and truly inside. So there they go, trooping off to Whitehall, employers and trade unionists, to work out with a socialist government the principles on which the prices of people and things are to be controlled in a socialist Britain.