

damental obstacle to be overcome is the basic division between the central banks and the governments: certain policies that are favourable for one group are harmful for the other. Paul H. Douglas, in his recent study of world trade, attempts to find a synthesis of these various schemes, but even his powers of exposition fail him.<sup>1</sup> The solution to the dilemma has not been found, and time (and gold) is running out.

### Why Gold?

A full gold standard would unquestionably solve the problem of international acceptance and solvency. Gold has always functioned as the means of international payment, and there is no reason to suppose that it will not do so in the future (assuming that prices and wages are permitted to adjust on an international free market). The opposition to gold in international trade is based upon ideological assumptions that are hostile to the idea of the free market economy. Gold would ensure monetary stability, if that were what the economists and legislators really wanted. It would ensure too much stability to suit them, and this is the point of contention. As the late Professor Charles Rist once wrote: "In reality, those theoreticians dislike monetary stability because they dislike the fact that by means of money the individual may escape the arbitrariness of the government. Stable money is one of the last arms at the disposal of the individual to direct his own affairs, whether it be an enterprise or a household. It is certain that nothing so facilitates the seizure of all activities by the government as its liberty of action in monetary matters. If the partisans of [unbacked] paper money really desire monetary stability, they would not oppose so vehemently the re-introduction of the only system that has ever insured it, which is the system of the gold standard..."<sup>2</sup>

### THE BULLDOZING COUNCIL

"AN ENGLISHMAN'S HOME is his castle," as well as being an incredibly trite remark, seems to be in danger of becoming a complete lie.

Like so many who are led to believe that to buy a house is a good investment, Mr. Roy Fielding bought a £1,200 house with a £1,000 loan from a building society in 1960. At that time there was no mention of any likely redevelopment. In fact, the Newport Corporation claim that it was only in 1962 that they started to make plans for that area, and until Mr. Fielding read in the local paper in 1964 of their plans he had no idea he had made a bad investment.

Now the council are offering him £200 compensation for his house, which they are bulldozing into the ground. Mr. Fielding still owes £800 to a building society, so for the next ten years he will be paying for a house that does not exist.

<sup>1</sup>Paul H. Douglas, *America in the Market Place* (Holt),  
<sup>2</sup>Charles Rist, *The Triumph of Gold* (Philosophical Library, 1960), p. 139.

## BURDEN OF LANDLORDISM THROUGHOUT ASIA

IN *PACIFIC* (March-April, 1967) organ of the A.I.C.D., New South Wales, Jean Richards, Convenor of the Australian Quaker Peace Committee, reported on a Young Asian Leaders' Conference in the Philippines. She devoted some attention to land tenure, the main features being the following:

The feudal system of land tenure until recently operated all over Asia and still operates in many parts. It keeps the land tiller in abject poverty; division of the crop is at best 50/50 between owner and tenant. Sometimes it is as high as 75/25 in the landlord's favour. From his share the tenant must usually supply seed, fertilizer, plough, water and labour. Out of the balance he must maintain himself and his family. There is little incentive to increase output, as any increase brings only a marginal increase in his own return.

In the last twenty years some sort of land reform has been attempted in some Asian countries. In a few cases the landlord has been dispossessed and the land redistributed. In others, various compensation methods have been adopted. Yet again, in some places, landlords have been able to block almost all reform (South Vietnam, incidentally, being in case in point). There has been a successful land reform scheme in Taiwan, but it must be remembered that this was undertaken by an alien government which took over from those who had no say in the government.

Mrs. Richards correctly remarks that land reform, to be successful, must be instituted because it is beneficial for the people, and not just as a reaction to a crisis, e.g., an upsurge of communist influence. She also observes that the land tenure system has perhaps contributed more than anything else to the growing communist influence in Asia. She cites the example of the Philippines, where failure to implement promised land reforms was followed by the upsurge of the communist-led Hukbalahap movement, and she reminds us that for starving and semi-starving people, ideologies matter little; any system that results in better living standards is welcomed.

To all this must be added a consideration of the *method* of land reform. This is to be not by liquidating landlords, nor by compensation schemes (under which heading nationalisation often appears). Compensation for improvements made by landholders is unobjectionable, indeed, quite fair; but why should landlords be compensated for the fact that they are no longer able to exploit others? The essential point to recognise is that different sites of land have different degrees of potential earning power. This is a reflection of the community amenities to which particular sites are accessible. The logical and ethical step is to draw upon site rents as the primary source of government revenue, while simultaneously reducing taxes on goods, earnings and consumer services.

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