



I share Neil Booth's respect for Harwood's *Twentieth Century Common Sense*; particularly his position on gold.

Henry George had a low opinion of gold as money. In *Protection or Free Trade*, Chapter 13, he says "the delusion that money cannot properly fulfill its function unless an equivalent of coin is buried somewhere." And again, in the same chapter, "the stupidity of keeping a hundred millions of gold lying idle in the treasury."

Well, money does *not* properly fulfill its function unless "an equivalent of coin is buried somewhere," and the delusion that it can has given the world an unending series of inflations.

The most important quality in money is stability, and unless it is anchored to gold it does not have it. Divorced from gold, its only hope is the wisdom and restraint of government, and when it rests on that, it rests on quicksand.

Let's look at our own government. Since the war we have had fifteen years of prosperity and boom. It is the period when by the words of our economists and statesmen we are supposed to be "piling up surplus and paying off debt." Yet in all that time there have been a few years of balanced budget, and the rest in deficit; when the federal debt grew to almost a third of a trillion, and inflation pushed the price index up without interruption.

The pressure for the expansion of currency is always present; to "help business," "create employment," "create purchasing power," "make money

easier." In good times it is "not to disrupt business"; in bad times "to revive it." If gold does not stand behind money there is nothing to hold these pressures, and they will, in time, swell to a torrent of printing press money.

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I have just finished reading a book by John Scarth (Edinburgh, 1860) entitled *Twelve Years in China*—The People, the Rebels and the Mandarins; by a British Resident. Ignorance of the language and customs of the Chinese misled Britain's resident representatives and caused much bloodshed. For instance, the Chinese considered the waving of a white flag to be a challenge, and thus fired on a British Admiral's officer who was seeking a parley—the consequence—a massacre.

Ignorance on the part of both our Australian Aborigines and our early settlers, caused much killing here. The Aborigines who regarded all wild life as common property, welcomed our early settlers and thought they brought sheep and cattle as additional wild life for all to enjoy and kill. But of course the early settlers treated the killing of their sheep and cattle as enemy actions—hence a lot of needless slaughter. There were similar misunderstandings between early settlers in the U.S.A. and the Indians.

Henry George stressed the fundamental error from which has sprung our wars and economic woes, namely, "the great God-denying crime of recognizing private ownership in land."

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