

"Let Them Whistle," said Alice

ALICE called at the little cottage at the edge of the wood to visit with Father William and discuss with him some matters that perplexed her—matters having to do with the gold drain, foreign exchange, the value of the dollar and the need for austerity. Taking the chair offered by the old gentleman she settled herself comfortably and said, "lately the papers have been full of accounts about how gold is leaving the country and the danger implicit in the situation created by foreign competition in commerce and so on. It's all obscure to me—perhaps you could explain it?"

"I'm not an economist," Father William disclaimed. "Why don't you ask the Hatter or the Dormouse?"

"I don't like to ask the Hatter," she protested. "He's smart enough but he would rather win an argument than explain things so I can understand them. The Dormouse denies that he understands high finance. He says that if we had a proper system of taxation, gold and every other commodity would go where it was most needed and we wouldn't have to bother checking on it all the time. If we ran short of gold we'd just trade some stuff for it and that would be that. What do you think?"

"Let's look at it objectively. You have trade with foreign countries. Like any other trade, it consists of the exchange of commodities for commodities—with money as the medium used to effect the exchange. Now gold is the only medium accepted by all countries and so we could use it to make change, that is, to make up the difference if we buy abroad more than we sell abroad. And if we haven't any gold to buy with we have to quit buy-

ing abroad until we sell something abroad to pay for it. That's why we have to have gold, so we can import without exporting. If we haven't any gold it works the other way round."

"You mean," Alice asked, "that if we haven't any gold we can't import goods from abroad?"

"That's what I said," the old man answered testily, "don't you hear well?"

"I heard you all right, but according to what I've been reading, what you say doesn't make sense. We have to stop importing because we haven't any gold and the foreigners won't buy our goods. They think theirs is better. All right, then why not make our own?"

Father William had, with obvious effort, regained his composure. "Because the foreigners insist on flooding our markets with their products. So we have to have tariffs to stop them doing that."

"But why," asked Alice patiently, "do we have to have tariffs? If we haven't any gold to pay them with and if they wouldn't take our goods in exchange for theirs, we couldn't import and the whole business would stop. I can't see that tariffs would help any."

"As I think the Hatter once told you—that's why you're taking economics—so you can see these things. We have to have tariffs to keep from being flooded with foreign goods. Even if we haven't any money the foreigners keep on exporting the goods to us, and then we're in debt to them, and you know there's a maxim that the debtor is slave to the creditor. You don't want to be enslaved by a bunch of foreigners do you?"

"Certainly not. But couldn't we just repudiate the debts and make ourselves free again, and let them whistle for their money?"

by URQUHART ADAMS

"My word." Father William was shocked. "We can't do that. It wouldn't be honorable. A gentleman always pays his debts."

"I don't see anything honorable about foreign countries trying to enslave us by flooding our country with goods. If we tell them we haven't any gold and if they won't take our goods in payment for what they send us, then I say to heck with them. We don't need them anyway."

"Oh, but we do," Father William interposed. "We depend on foreign trade to build up our economy and make us strong to fight the cold war. We have to have markets so our people will be employed and not make trouble, and we have to buy the foreigners' goods to keep their people employed. If we stop taking their goods they'll be mad at us and won't help us if the cold war gets hot."

"Won't they be mad at us if we have tariffs?"

"It isn't likely because, after all, they know that every country has to protect itself from being inundated by floods of foreign goods. They have tariffs themselves, you know."

"I still think," Alice mused doggedly, "that if we just let things alone everything would straighten itself out."

When the gold was used up the foreigners would stop sending us goods if we were honest with them and told them that they needn't expect anything in return. If they want to get rid of their stuff and give it to us—that's their business. We could dump it in the river if we didn't want it. Or store it away in warehouses like agricultural surpluses."

"It's plain that you haven't a mind for high finance," said Father William caustically. "It's a man's business anyway and young women shouldn't try to compete in the abstruse aspects of economics. But I'll make some tea and we can talk of things not so controversial, like that Rembrandt that was bought by a New York museum for over half a million dollars. It must have been a pretty picture to fetch that much money."

"Pretty?" Alice set her cup down smartly. "What do you mean? I see *you* don't know much about values. It brought that much because of its physical attributes plus the scarcity of Rembrandts—supply and demand was operating in an affluent society. It's like the 1799 U.S. penny that was sold about the same time for \$10,000. I don't think anybody thought it was pretty. It was just scarce."

ELECTION RESULTS

In the November elections, a graduate of the Henry George School, Mark Southall, was elected to the New York State Assembly from the 12th Assembly District of Manhattan, on the Democratic ticket.

Thomas P. Gill of Hawaii was elected to the United States Congress. He advocates a Pittsburgh plan for Hawaii (tax land at a greater rate than improvements).

In California, a constitutional amendment which would have touched off a wave of land speculation near cities, was turned down by the state's voters. This proposition would have let farmland owners get assessment of their land as "agricultural," and not for its "highest and best use" as the law now requires. The land would have had to be in use for otherwise undefined "agricultural use" for at least two years to qualify.

The difference in taxes would have been substantial. Though farm organizations supported the measure, its primary support came from big suburban land holders. The president of the Home Builders Council of California admitted that defeat of the measure produced a collective sigh of relief among builders whose big problem is cost. Builders credit the defeat of Proposition 4 to the voter's tendency to vote "no" on items he doesn't understand—since it was one of 24 on the ballot, the result could easily have gone the other way.