

The Natural Economy

by John Young; Shephard-Walwyn, London, 1999 (available from the Robert Schalkenbach Foundation). Reviewed by Geoffrey Lee

One of the greatest impediments to the understanding of economics is the fact that there are no universally recognized definitions of any of the terms used. Wealth, capital, money, value, price, credit, labor, land, rent, interest, profit — they all mean different things to different economists and sometimes different things at different times to the same economists. John Young gets round this problem very clearly defining all the terms he uses so that the reader has an unambiguous explanation of everything he writes about.

The book is subtitled “a study of a marvellous order in human affairs”, which is a refreshing way to introduce the “dismal science”! Economics, Young says, is to do with the almost magical way in which we are clothed, housed, fed — from the produce of the entire world — have schools, hospitals, roads, cars, planes, theatres, books, newspapers, can listen to music, watch television and so on — all in exchange, for the most part, for a modest day’s work.

I say for the most part because clearly, and this is the nub of John Young’s book, there are millions who do not get their fair share of this bounty in exchange for their work and further millions who do not even have the opportunity to work at all. This is a nonsensical state of affairs and *The Natural Economy* shows how this has come about and what could be done to put it right.

One of the problems, says John Young, is that of privileges granted by governments to various groups of people — it may be to big business or to farmers in the form of subsidies, or to trade unions given special powers, or to landowners being permitted to appropriate the revenue which, from its nature, belongs to the community. These privileges lead to distortions in the distribution of wealth which governments then try to remedy by redistribution through taxation. Further distortions are caused by government control over interest rates, interference in exchange rates, by massive public sector borrowing and restraints on free trade.

