

statement by June Marks. She is a Controller of the City of Toronto. She says: "... if 8,000 to 10,000 serviced vacant lots in the three outer municipalities were developed it would ease the housing shortage 'like taking the lid off a pressure cooker.'"

Of course it would.

We are spending thousands of dollars of public money to get houses built while we allow the land speculators about our great cities to charge \$8,000 for sufficient ground on which to build a house.

The article continues: "Controller

Marks said a report presented to Metro Council indicated there are up to 10,000 serviced lots—the majority in Scarborough—that had not been built on."

In closing, I would like to quote the Mayor of the City of Toronto, Mayor Dennison. He says: "I would like to have this city grow in such a way that we do not have great wasteland areas on the perimeter of the city ... so that there isn't a six or seven mile wasteland around the perimeter of the Metro area ... a speculator buys land hoping to make a fast buck out of it and he lets it

grow weeks or he cuts it ... good land is wasted for a greater number of years.

That is only one illustration of the waste of our natural resources due to a foolish system of taxation that jumps on us with both feet when we do anything good that serves the community, and which allows the monopolist to leave his resources lying idle, sometimes for years. Therein lies the answer to the problem of poverty: the development of our natural resources—the increased activity we can bring about by a reasonable system of taxation.

## Economic Demolition Squad Moves In

An iconoclastic approach to the nostrums of economic planning

**WE WELCOME** the publication of the new magazine *Economic Age*, the first issue of which was November/December 1968. In the Editorial the purpose of the magazine is described in these words:

"What is the answer?" asked Gertrude Stein as she lay dying. Nobody spoke. 'In that case,' she said—and they were her last words—'What is the question?'

"We face the same dilemma. More obviously than at any time in history, whole populations feel the inadequacy of economic formulae, creeds and panaceas. None of them work. The encroachments of government, invariably represented as 'in the public interest,' whittle away private choice. The old values, as we already call them, such as self-reliance and opportunism, seem less and less relevant in the modern industrial state. Getting and spending—the economy—becomes inseparable from politics. The traditional area of dissent is narrowed to the point where 'consensus' becomes an attitude of mind bordering on apathy—the deadly malaise on which all tyrannies thrive ...

"This journal has been started not to offer yet more trendy answers, but to get back to the questions. The questions it intends to raise will be questions of principle as often as of



fact. There are—let it be added—such things as *old* principles, despite the disrespect with which many of them are nowadays treated; and these will recur in the writings of our contributors."

Contributors in this first issue include C. Northcote Parkinson ("Economists and Calculators"), Neil Wates ("Housing—the Economics of Bedlam"), J. W. Nisbet ("A Political Economist's Apologia"). Other contributors write with the same clear and direct style, questioning a number of the economic myths now so much a part of this economic age.

The magazine is published bi-monthly under the auspices of the Economic Research Council, 10 Upper Berkeley Street, London W.1. and the annual subscription is 40s. post free.

The leading article, "Back to the Crystal Ball" which follows is indicative of the iconoclastic approach to the nostrums of economic planning:

**DESPITE THE DEBACLE** of the first National Plan, which came to a timely end with the famous 'July measures' of 1966 after ten months of artificial respiration, Britain is now faced with a second, up-dated version which is the brainchild of the Secretary of State at the Department of Economic Affairs,

Mr. Peter Shore. It is to be a 'rolling' plan, which means provision will be made for adjusting its targets as events unfold, in other words for rubbing out the wrong answers and putting in new ones so as to make sure it can't fail.

There is an element of fantasy in this exercise which the Government's opponents could seize on, if they had a mind to. But the fact is that the Conservative Party will have not summoned the nerve to throw central planning overboard as part of their programme for getting back in power. Their latest policy document, published for the 1968 annual party conference, still has planning embedded in it.

To be sure, the Conservatives promise to abolish the Department of Economic Affairs. Planning, they say, will "take its proper place as an aid to the sound management of the economy and not as a substitute for it." But the preceding paragraph states unequivocally: "Any large business plans its operations. So must the government if the taxpayer is to get proper value for his money. And these plans should be co-ordinated with the forecasts for private industry. This is the Conservative view of the limits of sensible planning."

Presumably this falls short of the passion for tidying up the economy which obsesses the present administration, with its Prices and Incomes Board and proliferation of Neddies. As to who shall co-ordinate the co-ordinators, though, the Conservatives' document implies by its silence yet another Neddy-type office, perhaps even a mini-DEA. Or perhaps the clue is to be found in this cryptically-worded paragraph:

"We will use the new tools of administration and decision-making which are now available. We will improve the methods of public purchasing. More of the tasks which government undertakes will be organized on a project basis, by teams under project managers with full powers to achieve a particular purpose."

What will those "full powers" be? What safeguards can the public expect against these Stekhanovite

"project managers?" The Conservatives seem to be threatening us with more government, more compulsion, more economic technocrats. It is not an encouraging alternative.

Is the Economic Age the age of the economists? We doubt it. The contribution of economists to practical policy-making is minimal. The best they can claim is that they modify the attitudes of those whose hands are on the levers of power. It would be rash to under-estimate that influence; but the notion that under every Whitehall desk there sits, guru-like, a tame economist, is fanciful.

The two most widely publicised economists of the present Establishment have returned to their university chairs, backing gratefully out of the limelight which for a time beat unmercifully on them. Their forecasts and suppositions, so convincing when uttered from the depths of an armchair in the Senior Common Room, have been utterly confounded by events in the real world. "It is of course quite possible to expand production by well over 10 per cent in the first two years of a well-prepared plan," wrote one of them at the time of the National Plan and its brief accompanying euphoria. It was the other one who conceived the idea of "purposive planning." The phrase, along with some more homely turns of phrase which were current in the administration's public relations at that time, has been drained of meaning. Others, like "growth" have become mere incantations.

We are entitled to hope that, after their experiences in the rude, unsheltered uplands of public life, they have resumed their teaching careers wiser—and cleverer—men. Writing in a staunchly Tory newspaper, the erstwhile shaman of central planning recently confessed to the need for "difficult psychological adjustments" and a "painful education for new attitudes." These are the tones of a zealot whose god has failed, echoing the strangled cries that reach us from time to time from Eastern Europe. The intellectual economist resorts at last to woolly generalities: "A solution of our basic problems can be sought through a complex of policies which can create the

conditions for social cohesion, for individual and group responsibility."

We promise readers of our journal that our contributors will write better, and think more clearly, than that.

## Has Glamour a Price

JOAN BEST

I CANNOT say I feel enthusiastic about the Prices and Incomes Board's newest investigation. It is about to look into the prices of toiletries and cosmetics, and I can think of no greater waste of the public money which supports this Big-Brother-style organisation.

Now I happen to like the pretty pink pots and the delicious perfume of a range of fairly costly beauty products. I know that if I were being utterly logical I would go and buy half-a-pound of cooking lard to keep my skin soft at a fraction of the price.

But I happen to like Brand X and am prepared to pay the price. I like the glamour, and I like to feel that what the most beautiful, richest girls in the world are using I, too, can have. Because I am not merely buying a skin lubricant. I am buying magic and utterly illogical escapism, and this is a matter of personal choice. I don't need to spend the money.

You cannot, dear Mr. Aubrey Jones, reduce life to a kind of *Which* report. On a less frivolous note, the current investigation must surely be condemned as a scandalous waste of taxpayers' money.

## Castles on the Ground

LUFTHANSA, the German airline are to pay £50,000 a year rent for the ground floor site of 23-28 Piccadilly—part of the Piccadilly Hotel block.

This is practically all site value rental since the ground floor is to be completely remodelled and construction costs will be £100,000.

The capitalisation of the location rent at 7½ per cent equals roughly £650,000 for the ground floor site only—six and a half times the improvement value.

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