

**Short Circuit**

Richard Douthwaite

A Resurgence Book, £14.95

Review by GEOFFREY LEE

AS AN examination of small-scale community efforts to overcome the effects of global exploration this book is an invaluable and, indeed, inspirational guide. However, it fails to find the root-cause of our economic problems and therefore does not come up with any large-scale solutions.

It is all very well to suggest back-to-the-land self-sufficiency movements, such as the American community land trusts which, as the author suggests, owe much to Henry George's *Progress and Poverty*, but these are not going to be any use to the 25 million people who live in the urban conurbations of southern England.

Likewise his suggestion for monetary systems such as LETS (an acronym for "local exchange trading systems") are of limited use. What is needed is a fundamental reform of the international banking and trading systems. Interestingly, Ed Mayo and Helena Norberg-Hodge in the foreword lay emphasis on the distorting effect that subsidies have on international trade. The author also believes that under existing systems free trade causes unemployment in that imports from low-wage countries will drive home industries out of business.

He sites the example of the GATT treaties which reduced import duties and allowed Britain to be flooded with shoes and clothing leading to employment in those industries dropping from 973,000 to 412,000 between 1973 and 1993. This is true, but it can easily be proved that it need not have led to a drop in total employment.

Let us assume that Robinson Crusoe on his desert island spent every Wednesday afternoon making his clothes and shoes and that exporters from a neighbouring island offered to give him all the clothes and shoes he needed in exchange for a few coconuts

(which he had freely available in abundance). Would he say "no" because it would make him unemployed on Wednesday afternoons? Of course he would not. He would take the cheap imports and spend Wednesday afternoons sitting on the beach in a deckchair - or, more likely, he would work producing something else that he needed.

Cheap imports to Britain meant that the people who paid less for their shoes could buy other things. Money spent abroad for the cheap imports must eventually return and be spent in Britain (there is nowhere else for it to go) so all the money is available for job creation. But it doesn't quite work out like that.

The problem arises when Man Friday appears on the scene and Robinson Crusoe says to him "I own this island and you will work for me". If it is Man Friday who spends his Wednesday

afternoons making shoes and clothes when the cheap imports come in Robinson Crusoe can say to him: "I don't need you to work on Wednesday afternoons and obviously I won't pay you for the half day." He could say that he wanted him to do other work on Wednesday afternoons. Whatever Robinson Crusoe does he is the one who reaps the unearned benefits, and as he claims to own the island poor Man Friday has no alternative but to go along with his wishes.

The story clearly shows that in the main it is the landowner who benefits from cheap imports. If Richard Douthwaite together with some of the organisations he mentions in the book and the publishers of such magazines as *Resurgence* and *Fourth World Review*, could put their minds to the fundamentals of economics, then a practical and permanent solution might arise. **LSL**

**Beyond the Dependency Culture**

James Robertson

Adamantine Press, £14.50

Review by PETER POOLE

THIS BOOK is almost as much a work of biography as an exposition of philosophy for what is called post-industrial society.

James Robertson began to think beyond the confines of the current economic paradigm in the 1960s. He was at the cutting edge of Britain's decolonialisation experience. Indeed, he wrote the "wind of change sweeping through Africa" speech which was delivered by Prime Minister Harold MacMillan.

Robertson moved from Whitehall and the Cabinet Office to become one of the leading philosophers of a more humane society. But what would such a society look like? He acknowledges that the absence of a practical mechanism for changing society led to

"the trap of fruitless institutional reform in which so many of us wasted our energies during the 1960s and 1970s". His first essay in this volume was a paper presented in 1977 on "Post-Industrial Liberation". But by 1980 he was still writing that "although a restructuring of the whole system of taxation and social security (including its devolution to local control, at least in part) will be an important aspect of the enabling approach, no persons or organisations currently exist with the skill, the will, or the authority to work out how this restructuring should be done. I do not yet see what practical steps can be taken to remedy this".

It was another ten years before Robertson was exposed to the notion of land taxation which he now

perceives as an important element in fiscal reform. He links the taxation of land and natural resources with eco-taxes and Citizen's Incomes. This he presents in Chapter 16: A New Social Compact, originally published in 1996. By this time he was convinced that a major source of the world's problems was a tax system that penalised people "on the value they add, not on the value they subtract". James Robertson insists that there is much work still to be done, but he has the bit between his teeth.

He has become one of the most articulate campaigners for justice, and this volume traces the evolution of his thinking over the past two decades.

In a strong sense, the book is implicitly an indictment of those of us who were the keepers of a knowledge which ought to have been elaborated in a form which influential activists like Robertson could have grasped while he was still working within the Cabinet Office. Decades of opportunity have been lost. **L&L**

convinced of the force of the argument. As Malcolm Hill tells us:

"After one speech Peel crumpled his notes and turned to Sidney Herbert to say: 'You must answer this, for I cannot'."

In the end, external events gave victory to the Free Traders. Cobden had correctly predicted that: "three weeks of showery weather when the wheat is in bloom or ripening would repeal those Corn Laws."

That is not to say that events could not have turned out differently, if the League had not done its work. In Ireland, where the yoke of the landlords was so heavy that people could not afford to buy corn, even without tariffs, a million perished in the Great Famine. Historians of continental Europe still describe 1848 as 'the year of revolutions'. Without repeal of the Corn Laws, Britain could have had a Famine, or a revolution, or both.

Cobden triumphed. No government, whatever the wishes of its leaders, dared restore the Corn Laws. In the next few years, Free Trade was applied not just to corn, but to nearly everything else as well. Yet Cobden himself lived to see that Free Trade was not enough. At Rochdale in 1864, in the last great speech of his life, he told his constituents that:

"If you can apply Free Trade to land and labour too ... then, I say, the men who do that will have done for England probably more than we have been able to do by making Free Trade in corn."

It is appropriate that Free Traders and Land Taxers of our own time should draw the lessons which Cobden drew; and Malcolm Hill's book will help them to do this. **L&L**

## The Repeal of the Corn Laws 1837-46

Malcolm Hill

The Turgot Press, £1.50.

Review by ROY DOUGLAS

THE REPEAL of the Corn Laws in 1846 is one of the most famous events in the 19th century, yet many people do not appreciate its full significance. The lessons remain with us to this day. That makes Malcolm Hill's booklet the more welcome.

The background is the intense poverty of the British working class in the first half of the 19th century. Great numbers of people really were at the margin of subsistence, and the price of bread, their staple food, could literally determine whether they survived or not. Bread prices, in their turn, depended on the price of corn.

The Corn Laws had been enacted in 1815, when the special provisions for agriculture which had been made to meet the emergency of the Napoleonic wars suddenly became inappropriate. The Corn Laws provided an embargo on importation of corn when the domestic price was below 80 shillings a quarter. This figure was seldom reached. So, for practical purposes, foreign corn was shut out of the country. The Corn Laws were later modified by application of a "sliding scale". Imports were no longer absolutely prohibited, but were subjected to a duty which varied

according to the domestic price.

The Corn Laws had been applied in order to benefit "agriculture". But what was meant by agriculture, and whom specifically were the Corn Laws likely to help? Certainly not the landless farm labourers. What of the farmers? The great majority were tenants, and farm rents were negotiated annually. When corn prices were high, farm rents rose. When corn prices fell, so did rents. Plainly, the beneficiary of high corn prices was the landowner.

Enter cotton trader Richard Cobden. In the late 1830s, he organised the Anti Corn Law League which commenced a huge campaign of lectures. Cobden was elected to the House of Commons in 1841. The greatest problem which the League faced in its early days was intense and widespread suspicion about a new and unfamiliar idea.

The Anti Corn Law league was a model of political organisation. It raised money on what was, in those days, a massive scale, by canvassing subscriptions and by fund-raising activities. It sent out lecturers throughout the land. It produced great quantities of literature, meeting and confuting all arguments of the Protectionists. At last Prime Minister Sir Robert Peel became

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