

APPENDIX 2.

FRIEDMAN AND MONETARISM.

Although this subject is only a sub-heading of political freedom it has received great publicity in recent years, and deserves some explanation here..

In spite of the urgency of our social problems it is quite rare to encounter any serious attempt at their solution as distinct from palliation. So it is refreshing to come across a proposal to solve one of them, especially when it is Professor Friedman's denunciation of state-ism and governmental interferences. If his advice were followed, and the man-made legal obstacles (or some of them) to production and exchange were removed, many of the now threatening world-problems would disappear or be substantially diminished. But not the basic ones.

In all main respects Friedman is an echo of Adam Smith, whose doctrine of Free Trade did much to improve conditions in Britain in the 19th and 20th centuries. But the sufferings and injustices of that era were not by any means removed by Smith's "remedy", which was only partial freedom. The unemployment and poverty of the 19th century became intolerable for the underprivileged classes, while the privileged classes retained their privileges intact and remained super-wealthy in the midst of all the poverty and misery.

The basic cause of our basic problem of poverty, even as Karl Marx stated, is the greatest social crime in history - the forcible alienation of the proletariat from the soil - the theft of the land from the people.

To substitute a partial degree of justice and freedom for full justice and freedom is no long-term remedy. While the rent is left in private hands it will automatically swallow up all partial gains. So the only real remedy for poverty and unemployment is as set out in this book as "The Sovereign Remedy"(par 189).

It is not part of our task to blame or criticise Friedman, except for the purpose of bringing the truth to light. The real cause and cure of inflation and all other social evils which he attacks can be discovered by anybody who sincerely wishes to do so.