

refuse to order from suppliers who are unwilling to become involved in the ever-growing racket."

Corruption of morals is matched by an incentive to produce shoddy jewellery. This article describes how a wholesaler, using small craftsmen, can have goods manufactured for him which never appear on any invoice or in any books. He often has his casting done in one place, his setting, mounting and finishing somewhere else, and at every stage the work is paid for in cash. "The work is often poor, but it can be sold very cheaply. The honest, legitimate manufacturer is unable to compete and loses a lot of his trade if quality is not important to the customer."

The article concludes by suggesting two solutions. "The two most obvious remedies are the reduction of purchase tax and the more rigorous punishment of culprits. Until they have official endorsement and enforcement the jewellery trade will continue to demonstrate that crime does pay."

The jewellers' revelations, striking though they are, merely serve as one more illustration of the deplorable effects of deriving public revenue from private property. There is available a wealth of similar evidence of the working of this pernicious tax (a war-time measure designed to restrict consumption) which is used to pay a part of the so-called "welfare state." Other taxes on the earnings and products of labour are no less deleterious. They *must* be swept away. That can be done only by collecting as public revenue the community-created rental value of land.

LEATHER MEN WITH WEAK FLESH

TEMPTATION to flout the tax laws is not confined to jewellers. Manufacturers and retailers of leather goods are similarly seduced. Handbags, luggage, purses and other lines handled by the trade are subject to a 60 per cent rate of purchase tax. In a letter to the *Manchester Guardian* published October 15, Mr. Albert J. Barber, General Secretary of the National Federation of Saddlers and Leather Goods Retailers, wrote:

"Those who possess extensive knowledge of the leather goods trade estimate that at least 30 per cent of the overall business is what might be termed 'black market.' Retailers and manufacturers who strictly obey the tax regulations are faced with intolerable competition from the 'wide boys' who laugh at purchase tax.

"Surely when a law is widely flouted, and those whose business it is to administer it find themselves largely powerless to do so, it is high time the law was amended. It is likely that a tax of 30 per cent would produce an increased all-over revenue as far as the leather goods trade is concerned. The lower tax would mean that those who take the risk by flouting the law would consider the reward insufficient to take a gamble on not being discovered."

True enough. If there were not a vast and annually growing fund of land values lying at our feet, waiting to be tapped, we should have to be content with Mr. Barber's suggestion. But the fact remains that to tax goods is as unnecessary as it is demonstrably un-moral and economically unsound. A less harmful tax is no substitute for the right and beneficial one.

FREER TRADE WITH CANADA?

IN JULY, Mr. Diefenbaker, the new Canadian Conservative Premier, announced his government's intention of diverting 15 per cent of Canada's imports from the United States to the United Kingdom. His plan was intended to help Britain and to increase Canadian sales, particularly of wheat, to this country. It certainly was *not* intended to upset domestic vested interests by subjecting them to increased competition from abroad.

A few weeks later Mr. Thorneycroft, British Chancellor of the Exchequer, arrived on the scene. He had gone to Canada to attend the Commonwealth Finance Ministers' Conference at Mont Tremblant, Que. With him went Sir David Eccles, Board of Trade President, and Mr. R. Maudling, the protectionist politician charged with planning "free" trade with Europe.

Mr. Thorneycroft set the Canadian protectionist doves a-flutter with the suggestion, which he made on September 28, that Britain and Canada should form a Customs Union—a "free trade area," as he called it, using the fashionable term. Tariffs between the two countries (and, no doubt, quotas, though that was not mentioned in press reports) would be gradually reduced and finally, perhaps twelve years hence, abolished.

Mr. Fleming, the Canadian Finance Minister received the suggestion icily. He did not wish to prejudge the proposals but he lost no time in adding that there would be "formidable difficulties." Mr. Thorneycroft responded with the bitter-sweet retort that Mr. Diefenbaker's earlier proposal was "an adventurous one which raises great difficulties and complexities."

It is ever thus when politicians discuss trade. Every word they utter illustrates the crass folly of interposing politicians between those who sell and those who buy. They are needless, and harmful, middlemen. Present indications are that Mr. Thorneycroft's bombshell will prove a damp squib.

DEATH THROES OF PROTECTIONISM?

"WE are now witnessing the last wriggling death-throes of 40 years of British protectionism," said Mr. Oliver Smedley at Walthamstow, London, on October 24.

"We have inflation. That is a product of protectionism. We have concentration of economic power in the hands of the proxy-vote managers of monopoly capitalism and the card-vote Trade Union leaders. That is the result of protectionism.