ded them to the fact that Irish landlords as landlords, behaved pretty much the same as British landlords - they operated within the law as it stood. As Henry George so ably put it "Blame measures not men!"

I'm Scrapping my Home Insulation

SO the Energy Secretary would like our homes better insulated to save fuel. I did just this — having a storm porch erected and central heating and part double glazing put in.

I saved about £6 on my heating bill and then along came the valuation officer and increased the rateable value of my home by £20.

If Mr. Varley examined the rates valuation system he would find out why our homes are badly insulated — it's cheaper that way!

I am proposing to remove my heat saving improvements and get my rates reduced. Sorry Mr. Varley, I shall need more of your fuel and it will still cost me less than paying rates on improvements.

—Correspondent in the *Evening Standard.*

State Capitalism on Mussolini's Lines?

THERE are similarities between the situation and thinking in Britain today, and in Italy when Mussolini set up the ancestor of the National Enterprise Board, claims a study* published recently by Aims of Industry, the free enterprise organisation.

A cash crisis in British industry brought about by Government policies is creating a situation which is leading to a form of State capitalism. The National Enterprise Board - inspired by Mussolini's IRI, which was created by an Italian industrialist "with the oddly synchronistic name of Benni" - will accelerate the process.

The syphoning off of companies' dwindling cash flow by taxation and price control is "setting up large sections of British industry for takeover by Mr. Benn's version of IRI," says the study.

"When the State has the power of intervention, of unlimited funds . . . it can penetrate all corners of business life if its guiding philosophy motivates it in this direction."

Britain could have a corporatist partnership of business, government and trade union leaders if the National Enterprise Board really gathers momentum. This would depend on the attitude of trade union leaders.

"Galloping inflation, and Government policies which fail to give business the profits to survive, help to create the situation in which this form of corporatism appears to be necessary. We therefore have to fight not only the philosophy but also the bad economic practices that lead to the philosophy gaining ground."

No wonder that the Left wing were welcoming with unconcealed satisfaction the emergence in Britain of circumstances comparable to those which had brought about the creation of this huge State industrial corporation in Italy."

"A Left-wing myth is certainly being propagated that an inefficient private enterprise was holding out its begging bowl for public funds."

**State Capitalism: Some Reflections on the National Enterprise Board in the Mirror of Italy's IRI;* Aims of Industry, 5 Plough Place, Fetter Lane, London EC4A 1AN; price 20p.

LETTER

FLOATING GOLD STANDARD

SIR, — Your quotation from the *Individualist* in your issue for January and February, 1975 expresses very well the strange but apparently insuperable lacuna in the logic of my old friend Henry Meulen.

His remedy is to transfer the responsibility for issuing the notes from government to commercial banks and to make them redeemable in gold at the free market price. He says that the banks would not be subject to the same temptation as politicians are to bribe the electorate. But might they not be tempted to issue notes to pay their own debts or losses? And in what currency would the free market price of gold be expressed? In sterling? What would sterling then be? The notes issued by the banks? And what promise would the notes carry? "I promise to pay the bearer on demand a piece of gold of an unspecified weight but to be calculated according to the free market price of gold on the day of presentation as expressed in terms of the currency of which this note is part?"

With great respect to the editor of *The Individualist,* this means nothing. If gold is to be the basis of a currency then the unit of currency, e.g. a pound, has to be an exact weight of fine gold. Notes, by whomsoever they may be printed, represent and have to be exchangeable into an exact weight of gold. Any other sort of relationship between paper money and gold means that the paper is the money, as at present, and gold is just a commodity like any other. That way lies continual and unstoppable inflation, also as at present.

Yours faithfully,

OLIVER SMEDLEY

Saffron Walden,
Essex

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