

LIBERTY'S DECLINE IN BRITAIN



GRANVILLE WILSON

NO ONE who loves liberty can afford to disregard what is happening in Britain today as basic freedoms succumb to socialism and an insatiable bureaucracy.

The British people have learned the basic lesson of socialism since the socialist government was elected in October, 1964. It is simply that socialism means controls, and controls grow by what they feed on.

However much they may try to disguise the fact when they are seeking votes at an election, socialists believe in controls. To them, a life without controls is a vacuum, an intolerable limbo to be filled by handsomely remunerated bureaucratic know-it-alls.

Mr. Wilson of England for many years has written on economic and political affairs for British and overseas newspapers and magazines.

At the center of the socialists' creed is their conviction that not only market forces but human nature itself can be altered by what the government calls its "prices and incomes policy."

It is widely believed, in both Britain and the United States, that the prices and incomes policy became necessary solely because of Britain's financial crisis, which occurred immediately the socialists took office in 1964. This is a mistake. The financial crisis helped to prepare the ground for the attempt to control prices and incomes, but the policy was worked out as long ago as 1958.

At that time, when the socialists were in opposition, they drafted a document called "A Plan for Progress." Of course, the plan

did not call for a financial crisis; but everything else that has happened since 1964 dates back to that ambitious blueprint for the new socialist order.

The document pointed out that from 1955 to 1958 Britain's output growth virtually came to a stop, and that higher wages led to higher labor costs. The assumption which the socialists drew from this was that labor costs and prices rose not because of the demand for higher wages but because output growth was so small. In other words, restriction in production had increased prices. The same result, the document said, could be created by excessive spending power.

The broad conclusion which the socialists drew from these premises was that the growth of money incomes must be kept broadly in step with higher productivity.

The best laid plans began to go awry, however, as soon as the socialists came to power. To counteract the flight from the pound sterling the government borrowed \$3 billion from the American Federal Reserve Bank and nine other central banks. The loan has to be repaid by 1970.

After more than two years of socialism the British people stubbornly refuse to increase productivity. It had been assumed that

they would respond magnificently to the election of a "workers' government" by working harder, but they did not do so. Anyone but a doctrinaire socialist would have understood why: they were disillusioned by the fact that socialism meant bigger taxes and less take-home pay. This refusal to make socialism work as the planners had hoped led to the bitter comment by Britain's socialist prime minister, Harold Wilson, that many British workmen are afflicted by "sheer damn laziness."

Revolt Against Planners

The refusal of the British people to work harder for less, and the need to reassure Britain's creditors in the United States and Europe, were reasons why Britain's socialist planners decided to give the nation a massive dose of deflation and even more onerous controls.

Social historians will probably look back on the socialists' annual conference in October, 1966, as the five days which changed the British way of life forever. In those five days the planners killed off so many sacred political cows that the socialist movement resembled a Chicago stockyard depicted by the youthful Upton Sinclair.

To a background of angry shouts from workless men of

"Traitor!" and "You are a disgrace to the party!" the planners remorselessly did to death in Britain:

- full employment,
- collective wage bargaining between trade unions and employers,
- the right of an employer voluntarily to increase the pay of any worker or group of workers.

The basic freedom of a worker to negotiate his pay with his employer has gone. Under the Prices and Incomes Act, trade unionists can be fined up to \$1,500 or even sent to prison for striking.

Many trade union leaders are convinced that collective wage bargaining has been abolished in Britain for all time. It is widely assumed that in July, 1967, a National Wages Board will be set up to decide who, if anyone, qualifies for a pay rise, and the only function of the trade unions will be to cooperate in recommending a scale of priorities.

If that happens, the British trade union movement under socialism will have been reduced to a status not much more important than that of the trade union movement in Russia. It will have become a creature of the state.

Meanwhile, prices in Britain continue to rise while wages are virtually frozen.

Some socialist intellectuals who applauded the government's prices and incomes policy have begun to have second thoughts. The policy, they claimed, was justified because it halted wage inflation, and price control would tame the capitalists. Unfortunately, the intellectuals forgot to read the small print. In their enthusiasm for a measure designed to prevent wages and dividends from rising, they overlooked the fact that the government said that prices could rise if price increases were the result of the government's own measures in putting up taxes and increasing interest rates.

Thus, everyone is poorer at the same time that his freedom is diminished.

Criticism Unwelcome

Some British socialists have already begun to dissent from the measures taken in pursuit of socialism. They have no illusions left. The Tories claim that the government will have to set up concentration camps to accommodate all its opponents. That may be deliberate political exaggeration, and yet the history of socialism is full of persecution of former comrades who opposed authoritarianism.

Dissent may be the lifeblood of socialism when the party is in opposition, but it quickly loses its at-

traction when the party comes to power.

When that happens, dissenters become a danger to the socialist idea, and their freedom to criticize is described as heresy.

By imposing the highest-ever taxes and the worst-ever credit restrictions, the socialist planners have begun to kill the private capital investment goose which lays the golden eggs. The Confederation of British Industry expects that private investment will fall 15 to 25 per cent during the next 12 months. During the same period profits are expected to fall 12½ per cent.

The Selective Employment (payroll) Tax alone is taking \$2 billion a year out of private industry. This is about a quarter of the sum normally spent in private capital investment.

At the same time that private investment is drying up, public capital investment is soaring. Private businessmen have lost confidence, but the socialists are going ahead in finding more and more money out of taxes for the nationalized industries. By the middle of 1967, for the first time in British history, nationalized industries will be increasing their capital investment at a higher rate than privately-owned industries.

The significance of this is that by supporting nationalized indus-

tries liberally out of the taxpayers' money, the socialists will have succeeded in their aim of altering the whole basis of the British economy in favor of state-controlled concerns. For, as the British taxpayers know to their sorrow, a nationalized industry does not need to make a profit. Its losses can always be met by the imposition of bigger taxes.

Curbing the Press

Keeping step with the individual's loss of freedom is the threat which the credit squeeze poses to the whole of the British press.

The nation's newspapers and magazines are already in serious trouble. By the end of 1966, when consumer spending had been severely reduced and unemployment had soared to well over half a million, newspaper advertising appropriations had been sharply cut.

Some small newspapers and magazines have ceased publication because they lacked the capital to stand losses caused by the withdrawal of advertising, and even the bigger and wealthier newspapers are so reduced in size that they have become shadows of their former selves.

If the credit freeze lasts for another 12 months, it will hit Britain's press so hard that the restriction of choice will make a mockery of democratic freedom to

read minority opinion. If that happens, financial stringency will have achieved what Nazi Germany's bombers failed to accomplish during six years of war.

At stake is nothing less than what John Milton, one of England's greatest poets, described more than 300 years ago as "the liberty to know, to utter and to argue freely."

We are being reminded forcibly in Britain today of Milton's famous words about what would happen if freedom of publication were to be lost. He warned: "We can grow ignorant again, brutish, formal, and slavish."

There are eleven major national newspapers in Britain, and seven of them are said to be running at a loss.

According to Lord Thomson, Britain's multimillionaire newspaper proprietor, who also owns newspapers in the United States and Canada, the economics of the newspaper business dictates that only four, or possibly five, of Britain's big newspapers will survive.

If that happens, millions of readers will be denied access to the kind of material they want to read. It is not a situation likely to make for a healthy and informed democracy.

The socialists seem quite unconcerned by the drying up of the sources of free expression. They

have no particular love for the press, and they actively dislike the advertising industry, which they describe as parasitic and wasteful of money and effort. If the advertising industry disappears down the drain, there will be few tears shed among socialist planners.

Men of Outstanding Ability Flee the Socialist State

Britain's socialist government is, however, acutely worried by the rate at which so many eminent scientists and medical men are disappearing down the "brain drain."

One-third of the annual output from British medical schools is now emigrating to North America, Australia, and New Zealand, and even that high proportion could rise this year.

There is no doubt at all why Britain's scientific and medical brains are deserting their native country. They are fed up—with their pay, their working conditions, their diminished status under socialism, and their prospects.

British government spokesmen describe the emigrating brains as unpatriotic.

Those who are going, however, urge that they should be free to sell their brains to the highest bidder. They also consider it a basic freedom that a person

should be able to move in search of better conditions.

That freedom may be diminished during the next few months. The British government is said to be considering a ban on foreign firms advertising in British newspapers and magazines for scientific and technical staff. This would cut off American scientific agencies, both government sponsored and privately owned, from their most promising source of material.

Just what this would mean to American aerospace and electronic companies has been described by Mr. William Douglass, a recruiting agent for big American and Canadian firms. He says: "There is no doubt that the scientifically trained man in Britain is vastly superior to his American equivalent."

He has a much more specialized expertise which is most valuable."

The proposed ban will not only disappoint American scientific agencies, but it will infuriate all those British scientists who are desperately anxious to find freedom outside their native land.

British scientists concede that such a ban would slow down the brain drain, but they doubt whether, by itself, it would effectively block it. Unless the socialists ban emigration altogether, scientists say, a determined man or woman will always find a way.

The British fight for freedom has been going on for centuries. It is unthinkable that the spirit which animates it will ever be extinguished. ♦

IDEAS ON LIBERTY

The Ranks of Bureaucracy

IF EVERY PART of the business of society which required organized concert, or large and comprehensive views, were in the hands of the government, and if government offices were universally filled by the ablest men, all the enlarged culture and practiced intelligence in the country, except the purely speculative, would be concentrated in a numerous bureaucracy, to whom alone the rest of the community would look for all things: the multitude for direction and dictation in all they had to do; the able and aspiring for personal advancement. To be admitted into the ranks of this bureaucracy, and when admitted, to rise therein, would be the sole objects of ambition.

JOHN STUART MILL, *On Liberty*

The PURPOSES of ANTITRUST

HAROLD M. FLEMING

THE BASIC PURPOSES involved in the enforcement of the antitrust laws of the United States — like those behind many other activities of the U.S. government — are obscure and in some cases contradictory.

These regulatory activities of “*the Government*,” might be expected to reflect an emotionally integrated Higher Personality, at peace with itself and without serious inner conflict. But certainly in the antitrust activities, this is not so. The aims of the two enforcement agencies—the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice — are palpably confused. So are the laws. So is Congress. And so are businessmen.

There are broad reasons for looking into those purposes. The

Sherman Antitrust Act has been called a part of the American “economic constitution.” The enforcement agencies and the courts have vastly enlarged its meaning from the fairly simple and brief act of 1890 whose drafters were chiefly concerned with federalizing the common law about conspiracies and monopolies. So unambitious seemed the original concept that the House of Representatives passed the final version unanimously, 270 to 0; for some years after 1890 “the Sherman Act” meant the ill-fated Silver-Purchase Act of 1890; the original drafters of the Antitrust Act seemed unconcerned when it remained virtually a dead letter through the speculative merger-mania of 1901; and the present antitrust laws, as interpreted, would horrify Senator Sherman. For the genealogy of today’s antitrust (as interpreted) runs back, not to Sen-

Mr. Fleming, for many years New York Business Correspondent of the *Christian Science Monitor*, is a prominent free-lance writer on business and economics.