

finite politicians here and there, but to the whole genius of mankind. This is a grander vision than that of those who would be Caesar and would set themselves up as little tin gods over men. It is a hope engendered in the human heart during the long ages in which the slowly emerging impulses of civilization, beset by barbarism, have struggled to be free.

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NOTE.—Mr Walter Lippman's references to the liberal state and liberalism are of course not to be associated with partizanship for any existing political party. He is expound-

ing a social philosophy. His attitude to the merely political is distinctly expressed in the introduction to his book where he says: "The doctrine that has come down from Adam Smith and the great liberals of the eighteenth century has in our times become the intellectual defence of much injustice and oppression. In Herbert Spencer's old age, liberalism had become a monstrous negation raised up as a barrier against every generous instinct of mankind. . . . I seek to find out why the development of the liberal doctrine was arrested and why liberalism lost its influence on human affairs."

## HOW PROGRESS IS IMPEDED

An Australian Note—By S. V. Larkin

THE PROFOUND influence of George's writings in the eighties of last century, combined with his lecturing campaign in Australia, not only aroused a tremendous emotional enthusiasm, but educated public opinion in fundamentals as it had never been educated before. Largely owing to the particular background, George's influence was probably more pronounced in New South Wales than in other parts of Australia, and the seed fell upon more fertile soil. But, I am afraid it must be admitted that George's initial influence has largely spent itself, or has been overwhelmed by more powerful influences. The emotionalists were quickly carried away by fresh emotions. The consummation of Federation, dominated as it was from the beginning by the pernicious influence of Protection—a soil in which Marxian ideas always seem to flourish—was the most serious blow that George's influence sustained. With the ever-increasing restrictions, prohibitions, regulations and interferences which is the history of Federation to date—interferences and manipulations which only demand more and more interferences and manipulations—the idea that there are any economic laws or principles has been gradually fading away and the whole economic system is being patched up from day to day by all manner of improvisations and make-shifts. It is little wonder, therefore, that we have all sorts of ancient fallacies, dressed up in new disguises, daily paraded before us to the utter bewilderment of a people apparently unable to reason or relate cause and effect.

Oscar Geiger's son, Dr George R. Geiger, too, has clearly recognised the essential need of getting down to fundamentals. His last contribution to enlightenment, *The Theory of the Land Question*, was written with the object of "increasing awareness to the implications of the Land Question." The major reason for writing this book, he says, "is the conviction that the blurring of the fundamental differences between land and capital is the chief reason for the flagrant neglect of the real meaning and urgency of the land question." Anyone connected with this movement will at once thoroughly understand what Dr Geiger means. The effect of this obscurantism, of the past half century particularly, is to be seen everywhere—in the books that pour forth from monetary cranks and self-styled economists, in the press, in parliament, and in the pulpit.

The teaching of fundamentals seems to have been abandoned. Catch cries and an incomprehensible jargon have taken its place. A generation has grown up ignorant of principles. The mercantile superstition, which it was once thought Adam Smith had slain, flourishes to-day as in its palmiest days. Malthusianism, too, is far from dead. Instead of principles, the talk now is of "categories," "marginal wants," "degrees of wants," "increments of satisfaction," "submarginal saturation points," "curves of desire meeting in an equilibrium," and so on. Nothing can be done without masses of statistics, the all-time study of trends, the concoction of index numbers, and elaborate post-mortems. The only principle recognised—if it can be called a

principle—is that of adopting one or other of schemes suggested by a multitude of insistent urgers yelling: "Try this" or "Try that." These trials are what are generally and portentously announced as "the advances on all fronts."

In taxation, incidence is not considered. No knowledge is displayed beyond the collection of a fund. The good old rule is: "Taxation by seizure"—estimate what you want and then go after it. The bewildering array of taxation codes are an unholy mess of complexity—the natural result of the Donnybrook doctrine: "Wherever you see a head, hit it." As an American professor once said: "If all the economists in the country were laid end to end—they'd never reach a decision." How could they, when they have first to work out such elaborate and complicated schemes of rebates, bonuses, subsidies, and all that kind of thing? The fantastic castles they build collapse with every fresh batch of statistics and charts they prepare. All values to them are social values. There is, to them, no difference between the value of land and the value of other things, and consequently there is, to them, no difference between land and things produced from land. Indeed, they seem to be oblivious to the existence of land.

Such is the irony of things that the task we have, all the time, is to draw the average person's attention to the "ground under his feet"—to try to make him realise he is a land animal! He seems to have lost all sense of its existence, though he lives on it and from it all the days of his life. Even the professional economic astrologer, if you can wake him out of his dreams or drag him from his absorbing study of trends, will as likely as not wearily observe that while land, in George's time, was an important factor, it is now relatively of little importance—we have progressed so fast! After all, I suppose, it is a pity to disturb the experts while concocting a "Planned Economy," as it is only likely to delay them in tackling their next big job: "Planned Astronomy." Sisera would never be above tackling the job of regulating and controlling the stars in their courses.

All this obscurantism and muddlement has had appalling results, whether or not it is the delusion that comes with advancing years, that things are not like what they were 30 or 40 years ago, I am of the opinion that, so far as an understanding of principles is concerned, those of a generation or so back were much in advance of those of the present day. More attempts seemed to have been made then to bring questions to the touchstone of principle than is the case to-day. But, in any case, I do not think it will be seriously disputed that there is, to-day, a distressing lack of any idea of fundamentals, the world over. The familiar demand of the raucous interjector at political meetings is: "Give us your policy," and the response generally forthcoming is the promise of the Sun, Moon and all the rest of the stellar furnishings, to be financed by an expansion of bank credit, or something after that style.

Now, in my opinion, the question of policy, to us at any rate, is of secondary importance to an understanding of principles. If principles are properly grasped, the remedy

should inevitably suggest itself. Not only is a firm grip of principles necessary for a worthwhile reform to be secured, but unless legislation is the expression of an informed public opinion there is always a danger of its being repealed as a result of the activities of special interests and the indifference and ignorance of the people.

Anyone who once grasps the vital distinction between the value of land and the value of other things—who once clearly apprehends what is public and what is private property—would not ask the question: Why single out land values as the source of public revenue? Nor would he talk about a tax on land values being a sectional tax on landowners. Anyone who once clearly understands that land values are public or social property, will quickly realize that our present-day taxes are largely “larceny in form of law”—he will know that in paying land rent to Society he is honourably discharging his obligations of citizenship and is standing in equitable relations with his fellows—that it is his rent payment

for what Society does for him, thus “paying for what he gets and getting what he pays for.” Anyone who can clearly see the line between public and private property, so clearly traced by George, will have no difficulty in determining what is mine from what is thine, and will have no difficulty in realizing that the abasement of the Nation is due to that disregard, in our social affairs, of the eternal truth that “right doing alone exalteth a nation.”

It is due to the blurring of vital distinctions, to the confusion of essential differences, to the controversial legerdemain which has so successfully made fundamentally different things appear to be one and the same thing, and which, such is the irony of it, has made even the robber appear to be the robbed, that we have the confusion and evil that prevail to-day in social affairs.

(Extract from the Paper “First Steps to Economic Betterment,” presented at the Australian National Conference, Newport, N.S.W., 19th to 22nd January, 1940.)

## POVERTY OR PLENTY: MR COLIN CLARK'S OMISSIONS

THE *Manchester Guardian* for 5th July carries a review of Mr Colin Clark's *The Conditions of Economic Progress* (Macmillan, 25s.). The review is headed “Progress and Poverty.” This heading seems to be an indirect reference to Henry George in view of the sentence quoted from the work under review: “Of repeated phrases about poverty in the midst of plenty and the problems of production having already been solved if only we understood the problems of distribution turn out to be the most untruthful of all modern clichés.” A further quotation speaks of the “much more important fact that, with productive forces fully employed, they can produce so little.”

As it is recorded in this work that 81 per cent of the world's population have an average real income per worker of 500 International Units or less (standard of living below £2 or \$10 per week) per breadwinner, and that 53 per cent enjoy a real income per head of less than half this amount, it is difficult to see how the author can maintain either that the problem of distribution is solved, or alternatively that productive forces are fully employed. Is it pretended that the productive forces of the whole populations of India or China included in the 53 per cent are fully employed up to their potential capacity? To say nothing of the populations of Europe and America whose productive labour is both under employed and unproductively employed. We hear that thirty million men in Europe are under arms and another sixty millions engaged in equipping and maintaining them. We suspect that Mr Clark is thinking, for the purposes of his arguments, of actual productivity and not of the potential productivity of these world masses, nor of the potential plenty that might exist if the resources of nature were thrown open to all producers on equal terms. With access to land the world's potential workers would produce more and consume more. They cannot be said to be fully employed under present conditions of land monopoly and trade restriction. Our author may even limit his productive forces to such things as machines, and thus fail to give due weight to the teaching of *Progress and Poverty* that labour and land are the primary factors in the “productive forces.” If he had seen this he would have seen that the productive force of labour is not fully employed because the productive capacities of the land in every country are also not fully employed. No economic writer can overlook the monopoly and privilege that exists and their effect on both production and distribution.

Even if we confine the term “productive forces” to machines and factories, these also are not fully employed if they are compelled by land monopoly to carry on production in the most uneconomic situations. They can only be fully employed when they are situated on land giving them the readiest access to supplies and the most economic access to

markets. This involves a recognition and understanding of the Law of Economic Rent (or Land Value). Again, productive forces are not fully employed if a third or a half of their output has to be devoted to payment for the use of land, which as indicated may not be the best suited to their particular form of production. This payment being made not for the supply of any raw material, or any service other than the permission to produce. When the payment of economic rent is made to the community, through the taxation of land values, then potential productive forces will have a chance to become actual.

To quote our author again: “The age of plenty will still be a long while in coming” as long as economic writers try to dismiss as clichés the reasoning of “Progress and Poverty,” and offer as substitutes such question-begging “facts” as that productive forces are fully employed, and yet produce so little. Such economic writers have their share of responsibility for the undoubted fact, stated by Mr Clark, that “the world is found to be a wretchedly poor place.”

D. J. J. OWEN.

## AN AMERICAN INVITATION

A cabled message has been received from the Henry George School of Social Science, 30 East 29th Street, New York:—

*AMERICAN GEORGEISTS OFFER HOMES TO BRITISH GEORGEIST CHILDREN. HOW MANY CAN YOU SEND—CABLE REPLY.*

The generosity of this invitation was acknowledged by cable with greatest appreciation. By letter it was explained that overseas evacuation arrangements are at present suspended and that in any case enquiry would need to be made among parents likely to consider the invitation before any number of children could be stated. Meanwhile we pass on the invitation to our interested readers and will be glad to assist them in what way we can to get in touch with American friends. Write to *Land & Liberty*, 34 Knightrider Street, London, E.C.4.

WALTER LIPPMAN'S Book *The Good Society* has been reprinted in cheaper edition at the price of 7s. 6d., cloth bound. It is published by George Allen & Unwin, London. Many of our readers have welcomed the extracts we made from it last month, and with the further extracts printed in our present issue we repeat our commendation of the book. Orders sent to us will have immediate attention.