

the Recovery Act that at least part of the cost of public works should be assessed upon the property benefited thereby, a principle which has the weight of precedent as well as of economic justice. This suggestion was not accepted, nor has any administrative government official recommended it, despite our repeated requests. Amendments to legislation to provide for this have been defeated.

This description of the so-called Recovery Programme in America sounds pessimistic. It is only frank. The entire Recovery Programme has been an evasion of the basic changes which must be brought about if America is to get out of the financial impasse which is, in my judgment, daily getting worse. At the end of 1931 the alleged "assets" of the large corporations were, in round figures, 331,000 millions of dollars. Alleged values of farm lands were in the neighbourhood of 38,000 millions of dollars; of city land, at least 55,000 millions of dollars. The total government and non-government debt is still approximately 250,000 millions of dollars.

THE HOPE OF DEMOCRACY

To most readers of these columns Mr J. A. Hobson's new book* will be profoundly disappointing. The promise contained in the title is not fulfilled; for nowhere do we find a clear definition of Democracy in its fundamental significance. Such vague generalizations as "the basic feeling in sound democracy is a sense of the rights of others" do not carry us far. The author seems never to have envisaged as a primary condition or bed-rock foundation for a true democracy, a state of society in which every man might sit under his own vine and fig-tree, *none daring to make him afraid*—that is to say, where he might always be secure of opportunity to earn his own living without awaiting the convenience or whim of other men. After reading that "even Cobdenism was alive to the need of certain positive opportunities such as reasonable access to land and education," it seems incredible that an economist of Mr Hobson's distinction should venture (as in the first chapter of the book) on a survey of the evolution of the democratic ideal during the nineteenth century with copious references to J. S. Mill, Owen, Carpenter, Bentham and others, and omit to inform his readers, even by the remotest hint, that there lived such a man as Henry George. There is a principle known to photographers and others whereby a negative by over-development becomes a positive. This mere "omission" to include in his survey the greatest apostle of democracy the world has seen becomes, by its obtrusive significance, a positive discourtesy, if not an insult, to the large and increasing number of those who see in the abolition of land monopoly the only real foundation for a genuine democracy.

Notwithstanding such nebulous sentences which may mean much or nothing, as "Given complete mobility of capital and labour with free access to natural resources, the wants of the consumers would dominate production," or "costs of production and utilities of consumption being no longer loaded with surplus values," we are at a loss to understand Mr Hobson's position as regards economic rent, *i.e.*, the price which, under present conditions we must always pay for the privilege of living and paying taxes in a well-governed country; a price which, as is well known, increases *pari passu* with the prosperity of the community. What does he think should be done about it? How is the "free access" to be obtained? He evidently does not contemplate these "surplus values" which are no longer to "load" production and which we imagine he identifies with economic rent, being applied to defraying public expenses—for he says distinctly, "The whole expense of the political government must come from current economic processes, and the private consumer cannot therefore get all his goods at cost prices." We confess to a complete state of muddledom as to what politico-economic theory Mr Hobson holds in his mind as that of the Ideal Country, or *Civitas Dei*.

It remains to say that the book is well written like all that comes from Mr Hobson's pen. With his sensitiveness to the dangers of dictatorships, whether by individuals, by groups or even by majorities, we have the deepest sympathy.

* *Democracy*. By J. A. Hobson. John Lane. 2s. 6d. net.

The New Deal has not attempted to end any of the causes which produce involuntary unemployment, and hence poverty—quite the reverse. It maintains special privileges and by borrowing from the rich it is subsidizing land owners. Even to-day there are between nine and nine and a half million people wholly unemployed, many millions more only partly employed. We are discounting the future and ignoring the facts.

Fortunately many of the really sincere and disinterested economists in the Administration recognize that the programme of deflation I have outlined, writing down the corporate capitalization, debts and interests, and land values, through changing our tax system, is inevitable. It is still unfortunately true, however, in America that an outstanding characteristic of first-class minds is their inability to grasp the obvious. Sometimes the mind which has not been ruined by false economics can think straight. This will be necessary before America emerges from the hallucination which we so feelingly call the "New Deal."

His final objection to autocracy in that it excludes the contribution of the common man to the collective wisdom of a nation, is argued with convincing lucidity. The plain man, whose main equipment is common sense, who asks questions at political meetings, who writes occasionally to the Press, who is *interested* in the politics of his country and talks of them to his fellow-workers, so far from being a negligible element in the intellectual make-up of a country, is a very necessary part of it and ought to be recognized as such. Mr Hobson might appropriately have quoted Tennyson's vision of the future "when the common-sense of most will hold a fretful realm in awe," in support of his contention that the unsophisticated common-sense of the plain man is *needed* to check the inevitable aberrations of our more cultured administrators.

But what has Mr Hobson to suggest as an alternative to autocracy and by way of escape from our present deplorable conditions? Only an indefinite extension of the functions of government whereby not only a co-ordination of supplies with demands should be effected in respect of goods and services, but "economic planning" to regulate the circulation of money, the scales of wages and the profits of capitalists.

On page 86 we read: "Under public planning employers will be told by some central economic brain how to apply their capital and labour, by what methods, under what conditions, and in what proportions." Are there any among us good enough and wise enough to act thus the part of super-men? If such there be, let their names be written in letters of gold on the walls of the House of Commons and on those of every municipal council chamber in the country.

To the man who retains some faith in the rationality of the universe and its laws it must seem probable in the highest degree that if we base our social structure on an equality in ownership and access to the natural resources by which we live, the strains and stresses that are incidental to social life will balance themselves and result in the nearest approach to peace and good-will we can conceive. "Why stand ye here all the day idle? Because no man hath hired us." With such a democracy as will spontaneously arise on such a foundation, that question will seldom be asked, and that answer will never be given.

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Many of our branches are interested in the taxation of land values agitation. The present Government is a bulwark to reaction, and much good work that was accomplished prior to the advent of the "National Government" is being destroyed, and although there is a danger of our branches drifting off into questions outside the co-operative movement, the taxation of land is a matter that does affect the co-operative movement. The United Committee for the Taxation of Land Values, Ltd., will welcome inquiries, and in many instances they are able to send speakers to branches who desire a lecturer on this subject.—*The Co-operative News*, 1st September, in the Notes by the National Secretary.