informed of the Inquisition's ruling and could act within the premises according to their individual discretion. Presumably this condemnation, and the possibility of action, holds to the present day." Although in 1892 Archbishop Satolli, new papal nuncio to America, re-instated McGlynn after having examined his opinions and found in them "nothing contrary to doctrine," one gathers from Professor Barker's story that in the Roman Catholic hierarchy the authoritative attitude of the Church to private land monopoly is still an unresolved question.

No one will quarrel with Professor Barker's evaluation of the religious impulse as a driving force in George's life of reform. So it was with Wilberforce, Owen, and countless others. But *a propos* of the "Californian orientation" of George's thought, it would be hard for anyone who shared Professor Barker's view to account for the growth of similar ideas at various times in scattered parts of non-Californian territory. The philosophies of Smith, Jefferson, Mill, Quesnay, Bastiat, Dove, Cobden, and George, surely spring from principles independently discovered, but principles everywhere the same. "It is a mistake," George himself said, "to which critics who are themselves mere compilers are liable, to think that men must draw from one another to see the same truths or to fall into the same errors." It is also a mistake to think that, because a man illustrates his argument with local detail and incident which lends it regional flavour, the region itself is father to the thought. More likely it is a storehouse of handy ammunition. Had Professor Barker elaborated the California theme less, had he filled in a little the skeleton outline of Georgeist reform proceeding abroad, he would at once have avoided a too-provincial thesis and improved the balance of his book.

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There are some curious misconceptions and a painful amount of confusion in Professor Barker's discussion of *Progress and Poverty,* and of later books, notably *Social Problems* and the unfinished *Science of Political Economy.* Probably the trouble is caused by the deficiencies mentioned earlier in this review: the intrusion of the "limited state intervention" philosophy of the author himself and the rather personalised use of words such as "radical" (apparently Professor Barker thinks a "radical" cannot "believe in business and capitalism," and he often seems to use the word as a synonym for "socialist").

For the most part, he confines his criticism of *Progress and Poverty* to "the political science of the book" rather than to the validity of the economic propositions. Asserting that "great changes can best be brought about through old forms," George advocated taxation of land values as the best way to effect the public collection of land rent. Professor Barker states that in effect George meant "local government should undertake the burden of a social and economic transformation in America." Barker is certainly making this assumption all on his own. George advanced his remedy not only in America, and not only for the lowest levels of government. The fact that George considered land-rent a sufficient source of revenue for society shows that he envisaged all levels of government, local, State, and Federal, as applying a tax on land values. Barker has set up a straw-man, knocked him down, and then concluded that Henry George showed "an astonishing blindspot" toward domain policy in the U.S. and toward customary U.S. tax practice! It is too bad Professor Barker did not get some advice before he committed such a "criticism" to paper. Related to the same misunderstanding, that only one level of government could draw revenue from LVT, is the complaint that George "ought to have noticed that only a world organisation with power to tax, or at least to distribute the proceeds of land-value taxation, would fit well his ideal scheme."

Professor Barker also regrets that George did not suggest "multiform applications of the remedy," or "variant applications" of it. It is difficult to understand how Professor Barker would explain acreage limitation, conservation programmes, or land classification as "variants" of land-value taxation.

For the sake of the record, Professor Barker might well have rounded off his treatment of *Progress and Poverty* with some representative modern criticism of George's economic propositions and in this way have gathered together the best that "20th century scholarship" offers as a critique of Henry George.

MARY RAWSON.

Professor Barker ventured daringly when he went beyond the bounds of biography and history into the field of economic and philosophic discussion. Miss Rawson in her severe but just criticism reveals the extent of his failure. The chronicler of facts has given the reader the results of painstaking research, the intensity and compass of which can be judged by reference to his 48 closely printed pages of "Notes on the Sources." But, continually to the distraction and often to the exasperation of the reader, the chronicler gives place to the pretentious essayist indulging in the irrelevant dissertation, disputable contention and obtrusive assumption such as Miss Rawson has instanced.

I write as one who had expected this book on Henry George's life and work to deserve the attention of students of all shades, but the more closely I examined its pages the less inclined I felt to any recommendation. Even as to facts, Professor Barker is misled by or has misconstrued the testimony on which he depended. The story as it relates to Great Britain is particularly defective. There is for example the statement (p. 414) that the 1885 Royal Commission on the Housing of the Working Classes proposed that vacant city "funds" (misprint for "lands") be taxed at a rate of say 4 per cent on capital value." Not so. It was that vacant land, which as such is excluded from the valuation rolls, should be entered therein at 4 per cent of its selling value, for the local taxes (the rates) to be levied on the resulting annual value precisely as the rates are levied on all other property. The relevant passage was written by Lord Stanley of Alderley, one of the signatories of the report being the Prince of Wales, since King Edward VII. It was a welcome recognition of one of the unjust features of the British local rating system but nothing came of the recommendation then made. No such thing happened as is put on record in this book that "a few years later high urban land-taxes were actually imposed." All along and to the present day, vacant land has remained exempt from assessment to local taxation.

But it is the final chapter that really discounts Professor Barker as an authority. It were better had the book ended with the death of Henry George and no such sequel had been attempted sketching his pervading influence in the after years. The author rushes to conclusion failing hardly to glance at the practical progress, in the direction of land-value taxation, achieved in a number of countries such as Denmark, New

Zealand and South Africa—and leaves his readers or prompts the cynic with this astounding remark that: "Perhaps the one specific instance of Georgism, cropping out in the new policy of great nations in recent days, is the dilute variety that the British Labour Government wrote into its Town and Country Planning Act of 1947." Was not Professor Barker aware of the emphatic repudiation, by the Henry George movement, of that Act and its Development Charge as a complete travesty of the taxation of land values? He cannot be acquitted of careless attention to his own references. They are to be found, he says, in the book *Land Planning Law in a Free Society,* by Charles M. Haar, published in Cambridge (Mass.) in 1951, where one can read about "the Georgism of Parliament's act of 1947." That is hardly correct. Mr. Haar was a research student visiting this country and his book very ably exposed the defects of the Development Charge. He has this footnote, seemingly escaping Prof. Barker's notice: "For the Henry Georgian point of view which regards the 1947 Act as a 'slum production act' see . 'Town Planning—Fulfilment or Frustration, LAND & LIBERTY, March/April, 1948." All that Mr. Haar did say was that "the Government has talked in Henry Georgian terms of accepting the principle that it is the community which is entitled to the benefits of increases in value of land which the community itself has created." *Has talked;* yes, indeed. But what action was taken? There was no "Georgism" in it; the action taken was dead against the said principle. So also Lloyd George in his time: he "talked" what looked like Single Tax ideas and then gave the country *his* preposterous and ill-conceived "land-value duties," so called.

It is well to be ever on guard against the false suggestion, whether deliberately implied or innocently made, that the taxation of land values has been tried and found wanting.

A. W. MADSEN.

Where Lies Responsibility for Monetary Inflation

BY A LABOUR PEER, A BANK CHAIRMAN AND AN ECONOMIC JOURNALIST

In the House of Lords, March 8, LORD DOUGLAS OF BARLOCH said:

My Lords, the noble Earl, Lord Selkirk, who spoke for the Government yesterday said that their policy was to attack causes and not to attack symptoms. That is a sentiment with which I, and all of us, no doubt, would sincerely agree. But I wonder whether the measures which have been proposed by the Government do, in fact, reveal the implementation of that policy. They appear to me to be a diverse mixture of measures, some of which are dealing only with symptoms and not with the causes at all. There is a large measure of agreement in your Lordships' House that the root cause of the difficulties with which we are at present confronted is inflation, but I am not so certain that there is uniformity of view as to what inflation really consists in. For my part, I understand inflation to be a condition in which the price of commodities is increasing and in which that increase of price is caused by an increase in the amount of money in circulation—that and nothing else. And that is precisely what we are suffering from at the present moment.

Take what has happened during the last seven years. Between 1948 and 1955 the volume of industrial production rose by about 35 per cent. During the same period the amount of currency in circulation rose from some £1,200 million to over £1,700 million. What was the inevitable result? There was an increase in prices, so that the increase in consumer expenditure during that period amounted to £4,000 million a year, of which £3,000 million was due to increase of prices. The inference from these facts is perfectly clear. If one goes back over a longer period, one finds that the currency in circulation in 1938 was only £442 million, and now it is about four times as much. The inevitable result has been a tremendous increase in prices, compared to what they were before the war. If inflation is to be prevented, it is essential that in the first place the Government should control the note issue and should prevent it from going up year after year as it has done. I do not forget for a single moment that the circulation of bank credit is also a form of currency and that it has gone up *pari passu* with the increase in the note issue. But the final and ultimate responsibility for all this rests upon successive Governments, which have steadily pursued this policy.

If this is the truth of the matter, it is clear that the policy which the present Government are pursuing is erratic and contradictory. What, for example, had the measures which were included in the emergency Autumn Budget to do with the increase in the note issue? Nothing whatsoever. The increase in purchase tax and profits tax has nothing to do with controlling the volume of currency in circulation. So with regard to the more recent measures which have been proposed. The reduction of housing subsidies has no relation at all to the increase in circulation; nor has restriction upon hire purchase, though both measures may in themselves be defensible. It may be perfectly true that it is highly undesirable that people who are well able to afford to pay for accommodation should have their houses subsidised. It may also be true that hire purchase has a demoralising influence and tends to make people forget that they ought to earn before they spend. But that is not, in itself, a cause of inflation so long as hire purchase is financed by the saving of somebody. Of course, if hire purchase is financed by the creation of credit, and if the Government allow credit to be created for that purpose, then we have inflation. But that is not the result of the institution of hire purchase; it is the consequence of the inflationary position which is allowed to come into existence.

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These measures have really nothing whatever to do with the fundamental difficulty with which we are confronted, which is due entirely to the policy of successive Governments in allowing the creation of currency and of credit to proceed at the rate at which it has done. I know that it is said that we can control this tendency by controlling expenditure. That was the advice which Keynes gave to the Treasury in 1940, and the Treasury were acting upon that advice when they introduced the system of post-war credits as a means of combating inflation. But that measure has failed, as every measure of that kind is inevitably bound to fail: such steps will not and cannot work. What we have seen during the last fifteen years is the proof of it. Inflation is bound to follow so long as Governments are content to allow the note issue in circulation to increase year after year.

I deprecate also the view which has been expressed by some speakers in this debate that the cause of our troubles is