

# The Iceberg Beneath The Surface

By B.W.B.



ANY BRITISH READER who picks up this work\* expecting to find a Galbraithian formula for instant Liberalism is doomed to sad disappointment. The title is misleading as far as British readers are concerned and has no reference at all to Liberals, Liberalism, Lloyd George or Jo Grimond. The title comes, apparently, from Adlai Stevenson, in a reference to the moment, just before Presidential elections, when even the most obsolete men become reconciled, if briefly, to the machine age. He thought that this pause in normal conservative occupation might be called "the liberal hour."

As he showed in *The Affluent Society*, Professor Galbraith has a considerable talent for dissecting popular beliefs, and proving, at least to his own satisfaction, that most of them are merely popular misconceptions. Whether the philosophies he substitutes are any more convincing than the ones he debunks is open to argument. But he has a lively and persuasive pen, which, applied with characteristic touches of iconoclastic humour, produces prose that is readable and mildly pungent.

This book, a rather scratch collection of individual lectures with little connecting thread, has not the force of the earlier work. If *The Affluent Society* was addressed to the statesmen of the world, *The Liberal Hour* is more for the junior Congressman or the newly-appointed Parliamentary Private Secretary.

Nonetheless, the confident, competent Galbraithian technique is there for all to see, and he deploys it among such subjects as industrial competition with the Soviets, the elimination of unemployment and poverty, Labour v. Capital, economics and art, and an all-too-brief essay on inflation. Not bad value for 3s. 6d.

But in taking the reader along the winding paths of his versatile reasoning a number of ragged potholes are brought into view. His concept of a massive production contest with the Soviets is artificial and contrived. He appears to ignore that wealth is produced in response to demand (and that this still applies even though many Americans are achieving standards of living undreamed of a decade or two ago), and to regard all production as a matter for government direction and management. It is true, of course, that "growthmanship" — annual increases in gross national product — is now a fine international game, with national prestige depending on whether a 3 per cent growth in America is a "better achievement" than a 7 per cent rise in Russia. But does the American family now run to two, three and maybe four

cars in the garage merely so that Uncle Sam can remain at the top of the league?

Reminiscent of his line in *The Affluent Society* (roughly, "who wanted a new-type carburettor anyway?") the author writes off increases in food, clothing and motor car production as superfluous activities and makes his plea for energies to be directed to developing the quality of our society in the elimination of unemployment, poverty, delinquency and crime. This is the terrain on which we should compete with the Soviets.

Like many a well-intentioned man, Professor Galbraith has his ideals in the right place. But ideals are not enough. A superior form of society with, as Henry George put it, "Youth no longer stunted and starved; age no longer harried by avarice; the man with the muck-rake drinking in the glory of the stars! Foul things fled; discord turned to harmony!" is a consummation devoutly to be wished. But will it come through a competition with the Soviets or anyone else? Or will it come only when society is established on a foundation of social and economic justice? Professor Galbraith gives no indication that he appreciates the size of the iceberg beneath the surface.

A section of the book on economics and art is interesting and thought-provoking. ("The artist may transcend hunger and privation . . . Not so his audience. It turns to art after it has had its dinner.") It will also be familiar to readers of *Progress and Poverty*, in which Henry George set down similar thoughts some eighty years ago. George, however, did not merely stir the surface of his argument but pursued it to its logical end, arguing that only when man could free himself from the oppression of hunger and squalor could he hope to rise to new heights of civilisation and culture.

In reading the many theories contained in *The Liberal Hour* it is difficult to avoid the feeling that the author occasionally reaches his conclusions before considering what arguments can be adduced to support them. And although much that is wise and thoughtful is turned over in the process of digging for the right evidence, and although the evidence is presented with ingenuity and erudition, the end product is seldom satisfying. The chapters on "The Build-up and the Public Man" (theme: Eisenhower was given a bogus image) and "Was Ford a Fraud?" (theme: er-yes) are examples.

But through all the criticism of the Galbraith logic and the Galbraith philosophy must shine considerable admiration for a Professor who comes so close to being the layman's idea of a readable intellectual. Perhaps the appeal of Galbraith is summed up by a passage in the

\* *The Liberal Hour* by J. K. Galbraith. (Penguin Books Ltd. 3s. 6d)

chapter on "Economics and Art": "Several years ago a young assistant professor of economics . . . had written a number of good papers. One or two in particular showed originality, technical virtuosity and incomprehensibility, a combination that is held in the highest regard."

Yes, this book may not contain pearls but the oysters are very good.

## First Aid For Tenants

WHEN SOMETHING IS WRONG at the very roots of a society's economic life, problems of different kinds are bound to arise, and as fast as one problem is partly solved another springs up in its place. A man with a cold who wakes up with a sore throat may suck pastilles and eventually get rid of the sore throat, only to find that he has a headache instead; he may then dose himself with aspirins and deaden the headache but find himself developing a cough. Curing a symptom of a disease is not curing the disease itself, which inevitably breaks out in another form.

A community that fails to collect the rent of land for public purposes allows private profit to be made from holding land idle, removes the spur to owners to put land to its most efficient use, and then seeks to extricate itself from problems of uneven development by bringing land use under public control. Today the land on which planning authorities will permit development is very restricted in amount, and what there is of it is often in the hands of speculators or of building firms "stockpiling" for the future. The ensuing shortage stimulates more hoarding, and by increasing land values encourages more speculation. These in turn aggravate the shortage, values increase still further, and so the process continues.

The most grievous consequence of this artificial scarcity of land in contemporary Britain is the housing shortage. The demand for homes is vast, but the supply is restricted by the land available and by its price. The price of land is so high that the only homes being built to rent are luxury flats: to cover the cost of erecting or buying even a modest house as a simple investment a landlord would have to charge a rent far in excess of what the poorly-paid tenant, seeking such accommodation, could afford to pay. So the tenant lives in a slum which should have been pulled down decades ago but which continues to exist because there is no alternative. (Fear of rent control that would not allow rents to keep pace with monetary inflation, as wages and prices generally tend to do, is another inhibiting factor against providing houses to rent.) Market rents have been inflated by shortage for many years now, and the need was felt long ago to control rents and protect tenants from eviction. This took away the landlord's incentive to keep his property in good repair and to modernise it (the cost of which he would naturally expect to recover in increased rent).

In 1957 an Act was passed decontrolling the rents of new houses and of all houses over a certain rateable value

and allowing a market rent to be charged whenever there was a change of tenancy. The Labour Government is pledged to repeal this Act, but until it does so the position is that if a landlord can persuade his protected tenant to leave, and takes in a new tenant, he can increase his rent substantially. The methods of persuasion are frequently ugly, varying from offers of other accommodation at no greater rent (followed by a steep increase) to downright faking of rent books and the "smoking out" activities to which the name "Rachmanism" has come to be applied.

In *Tenants In Danger*,\* Audrey Harvey indicts the still-thriving wicked landlord with a mass of well-presented information about the trickery and intimidation that he gets up to. The indictment is shocking, as no doubt it was intended to be, and should help to foster a greater awareness of the acute problems suffered by poor tenants, including many immigrants and old-age pensioners.

Mrs. Harvey's emotions of sympathy and indignation are praiseworthy, and she makes no secret of her allegiance in the battle — so much so that she is not above counselling the tenant to trickery of his own. But the head and the heart must guide together. Not all the abuses are on one side, and although Mrs. Harvey concedes the existence of landlords other than wicked ones (without any estimate of the relative proportions) this does not deter her from falling into a logical trap by boldly declaring that wicked landlords and homeless families will always exist as long as private landlordism exists. What she means is that they will always exist as long as the housing shortage exists, as long as poverty exists, and as long as the legal paraphernalia of rent control exists. Where there was no shortage of available housing at prices which all could afford, and consequently no need for rent control, the private owner of rented property could not exploit his tenant.

This is the natural state of affairs, and because we cannot return to it overnight does not mean that we cannot return to it at all. It is short-sighted to argue that since total control or total decontrol is unlikely in the immediate future, therefore local authorities must take over all rented accommodation. Municipalisation would do nothing whatever to alleviate the housing shortage.

The housing problem is a poverty problem and a land problem and only by tackling these at their roots can we hope for a satisfactory solution. The most effective way of making a start would be to levy a stiff tax on land values.

A. J. C.

\**Tenants in Danger*, by Audrey Harvey. Penguin Special, 3s.

### IT WOULD BE A START

WHY should communities spend their scarce resources building new estates if usable houses and housing sites stand empty while their owners bargain for a better price? Why (as the Liberals have been asking for years) should the owner of an undeveloped building site, who is holding out for more money, not be made to pay rates commensurate with its value? — *The Guardian*