

objectives at a cost the community can bear otherwise than by some basic change in our land laws, and, if so, is it not apposite that we should be prepared to introduce a system of leasehold titles and, by reducing estates in fee simple in hand to terms of years, to diminish some of those property rights which for centuries have ensued from a grant of land "to John Doe his heirs and assigns forever"?

THE BODY ECONOMIC

(OR 'THE ECONOMY')

E. B. Donohue, President of the Association for Good Government, and for many years a tutor in the Australian School of Social Science, offers, with due acknowledgments to Dr. H. G. Pearce, a scientific analysis of the principles on which human society is based and which, he claims, must be freed from convention by governments before society can be restored to health and sanity.

ECONOMICS may be defined as the study of how civilised (social) man gets a living, and the Body Economic as that natural order among human products in the market which co-ordinates the competitive activities of diverse producers, seeking through social co-production, the satisfaction of their material desires with the least effort.

Human beings are rational animals with a natural inclination to live together as friends and to co-operate in lessening the domination of matter through exchange and the division of labour. Their sole intention is to further their own gain, but in pursuit of this end they, quite unwittingly, construct a marvellous price system and a world-wide Body Economic which was no part of their intention but simply a product of their nature. In the words of Adam Smith: "There arises an invisible hand which leads man to direct his industry in such a manner for his own gain that he promotes an end which was no part of his intention."

Economic Science, then, must not be seen as a study of satisfactions (the field of the psychologist), nor as the study of the means whereby we obtain such satisfactions (the concern of the technologist), but as a study of that economic good which all men pursue, namely, *the economy of effort through exchange*. This great principle of economising exertion is the unifying force which is to be seen among a multiplicity of producers whose activities are regulated by competition and whose products in exchange are co-ordinated by price.

Products, the economic goods which all pursue, are the material, or subject matter, of the economist's vision, but not of his intellect. The proper subject matter of his study is *priced products*, that is, products which have been transformed by combination of the artistic form implanted by man in natural substances and that *social form* which is added to them by society in the market, i.e., price. Hence, price is to be seen as the one social form within the many goods, a form which is not the product of man's art, but something

which results from his social nature.

As the common pursuit of this saving of effort is not fixed by our nature, but is left to our free choice, there can be no other reason for the existence of society other than the benefit of its members, and that benefit is the common good, or *profit of association*. Thus, we may see arising naturally within every society:

- (1) The common good, or profit of association;
- (2) The economic good, or saving of effort;
- (3) The public good, or care and preservation of the common good, the paramount function of government (the Body Politic) and the true end of law.

Every society is dependent for its nourishment on the Body Economic which not only feeds and provides very member of society, but promotes the release of an ever-growing number from the lowly pursuit of their material needs to the production of all its higher and more noble services. Thus, all those engaged in serving the Body Social, in government and in the many professional and cultural activities which, in the economic sense, are non-productive, are 'outside' the Body Economic while being completely dependent on it for all their material needs. While they earn what they get, they do not, in fact, produce it.

Society is a natural organism, and the way in which it is economically ordered—profoundly influencing the physical, mental and moral state of every community—is also subject to the operation of natural economic laws. This was seen clearly, more than a century ago, by Adam Smith. Economies, however, has since then become relegated to the rank of a pseudo-science, having no consistent conclusions but, instead, a chaos of opinions which only bewilder the layman, lend support to the special privileges of vested interests and provide material for endless dispute among the economists themselves upon such irrelevancies as wage fixing, price control, tariff protection, money monopoly, and the like. In the absence of commonly acknowledged principles, modern economics is nothing more than a technique of thinking which rejects the concept of any natural order or plan inherent in the economy in favour of a political art of planning by supermen. The activities of all such economic planners are based on the false notion that the common good is synonymous with 'social welfare', or State doles, provided by an arbitrary assault on private incomes. This, of course, is not government, but mis-government; not the preservation of the common good, but rather its destruction; not the promotion of our private good, but its negation.

OLD FRIENDS DEPART

On going to press we learn with sadness of the death of two good Geologists, Sam Herron, of Mascot, and Bob Varlow, of Wellington, N.Z. For Bob, who died in October, it was a happy release for he had suffered bravely for years from a malignant cancer. The news of Sam's passing was a shock; he seemed full of health and vigour at his last appearance at a Club Evening.