THE DILEMMA OF JOHN STUART MILLS

John Stuart Mill (1806-1873), so impressed the leading minds among his contemporaries that his works are sometimes quoted as standard references to the intellectual movement of his time; and echoes of that movement are still insistent enough to arouse controversy on subjects, to use his own words, "large and important enough to kindle enthusiasm and stir up the mind of a people from its foundations"—subjects, in fact, which directly affect the lives and daily bread of ordinary folk. As if to soften the impact, on a Socialist-tending generation, of Mill's individualist spirit, the *World's Classics* edition of his *Autobiography,* issued in 1924, was prefixed by the essay of a Socialist university professor and, in the confusion that has overtaken the Liberal political movement, Socialist political speakers have been able, with impunity, to claim this Liberal M.P. as one of themselves. But Professor F. A. Hayek, who has edited the recently published letters* between J. S. Mill and his wife, makes it clear that the Socialist claim is untenable. As Mill was so eminent as logician, economist and social and political philosopher an enquiry into the question whether he was individualist or socialist is likely to shed valuable light on the true relations of the rights of the individual and the rights of society as a whole.

Mill's thought developed under the pervading influence of Jeremy Bentham (1748-1832), of whom his father was an earnest disciple. Bentham expounded the "Utilitarian" notion that human action is inspired exclusively by self-interest—his own benevolent disposition and disinterested labours forming a curious commentary to his doctrine. He advocated Free Trade, but on grounds of expediency only, not justice or human right. In place of any principle of natural rights he put forward his theory of "the greatest happiness of the greatest number" and worked out almost on arithmetical lines—but without arithmetical precision—an abstruse method of computing happiness. To allow each person equal freedom to seek his own happiness found no place in his argument and his contempt for the emotional, poetic element in human nature injured and perhaps still injures the cause of rational and radical reform by enabling opponents to identify it with every drab and forbidding association. When Benthamites accepted the theory of Malthus (1766-1834) that increase of population tends to overtake subsistence; and when Ricardo (1772-1823) expounded the law of rent and by hasty deduction led opinion to accept low wages as the law of the Creator, the picture of political economy as "the dismal science" was complete. From one aspect this picture gave "scientific" sanction to the harrowing contrast of riches and poverty, thus stifling the disposition to demand reform, in many prudent minds; from another it impelled more impatient lovers of humanity to look elsewhere than to freedom and self-reliance for alleviation of human woe. In justice to the Philosophical Radicals, however, who were amateurs and independent, it must be said that they still hoped to make further and perhaps revolutionary discoveries in political economy. It is not easy to make this plea on behalf of the "orthodox" or "scholastic" economists who occupied the chairs of authority for several generations later, yet failed to make any perceptible advance. Soon after *Progress and Poverty* was published, in 1881, Lord Acton, who knew personally many of these authorities, remarked significantly, "They are not made sleepless by the sufferings and sorrows of the poor."

These were the main currents of economic thought which Mill incorporated in his *Principles of Political Economy,* published in 1848. This book announced no discovery, but it remained, to quote Henry George, writing forty years afterwards, "the best and most systematic exposition of the scholastically accepted politically economy yet written." Several passages suggest that the author neither wished nor expected this work to mark the furthest point of advance. As his *Autobiography* records, his mind was moving beyond the Benthamite limits in which it had been originally enclosed. He found that cultivation of the emotions is as important as perfecting the reasoning faculty, for emotion, not reason, is the original spur to action. Widening sympathy was likely to make him chafe within those "iron laws" of poverty which seemed to satisfy men like Ricardo. Mill's famous essay *On Liberty,* 1859, was a glowing, as well as a logical vindication of civil liberty, overwhelming in its argument that "the only freedom which deserves the name, is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs." This was hardly in the Benthamite tradition and yet, in the final chapter, on "Applications," the essay loses half its force in the attempt to treat civil liberty as separable from economic liberty. In his brief references to trade and taxation as matters on which "the principle of liberty is not involved" the logical sequence plainly breaks down. But his chapter on applications was admittedly only tentative. Evidently some of the deepest questions of political economy remained unsettled in his mind.

A later passage in the *Autobiography* reveals his fundamental difficulty. Referring to the opinions of his wife and himself, he says, "While we repudiated with the greatest energy that tyranny of society over the individual which most Socialistic systems are supposed to involve, we looked forward to a time when society will no longer be divided into the idle and the industrious; when the rule that they who do not work, shall not eat, will be applied not to paupers only, but impartially to all; when the division of the produce of labour will be made by concert on an acknowledged principle of justice . . . The social problem of the future we considered to be, how to unite the greatest individual liberty of action, with common ownership of the raw material of the globe, and an equal participation of all in the benefits of combined labour."

Readers of *Progress and Poverty* will notice that the latter part of the preceding sentence might serve as a sub-title for the book published seven years after Mill's death by Henry George; and George did not put forward his own solution until he had made an exhaustive study of Mill's work, corrected the errors and answered the questions left open. "Great as he was and pure as he was," says George, "—warm heart and noble mind—he yet never saw the true harmony of economic laws."

If Mill and George had been more exact contemporaries and had exchanged thoughts, it is not very extravagant to suppose, from our knowledge of his sincere character and open mind, that the former might have issued a revised edition of his book, explaining how common ownership of the earth and equal participation in the benefits of society could be obtained by collecting the

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**John Stuart Mill and Harriet Taylor—their friendship and subsequent marriage.* By F. A. Hayek. Routledge, London. 18s.

rent of land for public purposes. Correspondingly, by the remission of other taxation, the individual would retain complete ownership in the products of his own labour. Thus true socialism and true individualism are seen in their correct relation. If Mill had made that apparent, his reputation with universities, as well as with working men, would have made it impossible for the economists to ignore his explanation, as they ignored George's. Instead of the barren strife of false socialism and false individualism, social controversy would have revealed truth to avert the succession of catastrophies from which we suffer.

F. D. P.

KOREA LAND REFORM

A major casualty of the war in Korea is the land reform which was proceeding in the Southern half of the peninsula. In the opinion of a correspondent, newly returned from Korea, writing in the *Manchester Guardian*, August 2, but for the attack from the North, full land reform would by now have been carried out throughout the Republic.

With sixteen million people dependent upon twelve million acres of cultivation, pressure on the land was great and constantly growing. The need for reform was urgent. The first steps were taken by the Military Government of South Korea within a short time of taking control. It issued an ordinance restricting farm rentals to a maximum of one-third of the annual production, compared with the former normal rental of 50 per cent. which occasionally went as high as 60 per cent. As the new level of rentals, like the old, included taxation, the ordinance automatically conferred great benefits on the farmers.

In February, 1946, the New Korea Company, charged with administering those lands formally held by Japanese Nationals and by large Japanese corporations, was set up. From the start the directors of the New Korea Company planned the dissolution of the organisation. They used profits made under their administration to complete reclamation projects abandoned during the Second World War, to repair sea-walls and to carry out irrigation schemes. At the same time they worked out methods of transferring the land to those who rented it. These provided that farmers should be given the opportunity of buying their land, by instalments, at the rate of 20 per cent. of the major crop raised on it for a period of fifteen years.

On March 22, 1948, the interim Government issued an ordinance converting the machinery created by the New Korea Company into the National Land Administration. By the end of May the National Land Administration had distributed by sale, deed, or mortgage 448,513 out of 587,974 farm units earmarked for sale. All that was first-rate land, much of it having been the property of the big Japanese Oriental Development Company, the largest single landholding agency in Korea before 1945.

Peasants working land which had never been Japanese property demanded equally favourable terms for themselves as those extended to the tenants of the New Korea Company. Problems of compensation arose and opposition in the National Assembly and elsewhere were encountered, but by June, 1949, they were resolved and the Land Reform Act was promulgated.

It gave the Government power to acquire land, the ownership of which was in doubt, and to buy farmlands owned by families not actively engaged in farming, farmlands exceeding roughly six acres per farming household, and other minor categories. Thereafter progress was rapid. When the North Koreans struck, land bonds were already printed awaiting issue against the final appraisal of the values of land concerned. The survey of land under the programme had been completed. In most districts determination of lands to be transferred and new ownership had been decided and notifications issued to individual farmers.

Then came the war. At first many of the South Korean peasants, including the majority of the tenantry, welcomed the arrival of the Communists and their promises of land free of all charge for those who worked it. But when the farmers found that the land was parcelled out with preference to party nominees and that they themselves were often allotted plots of about a third of an acre they were less well pleased. Disquiet turned to dismay when the taxes under the Communists proved to be at least half the crop, and frequently far more, because the assessments were wildly and recklessly inaccurate. Taxes were not levied on actual production, but on an estimate fixed beforehand by Communist assessors.

By their policy of confiscation and redistribution of estates among their followers, and their destruction of records, the Communists have left a trail of chaos behind them in the South. The detailed work will have to be done again and by men whom the Communists forced to help them and who are now regarded as suspect by both the Republican authorities and the local people.

In North Korea land was distributed not by any rule of law but at the discretion of people's committees consisting of Communists and their nominees. Instructions issued to the committees on March 8, 1946, laid down that party members, guerillas and other favoured individuals and their families must on no account have their land taken from them. "Those who have served in the national, social and political fields for the establishment of a democratic Korea, and scientists, artists, writers, actors and actresses who have helped in the progress of Korean culture, science and art" received whatever land they wanted and non-party farmers received what was left.

United Nations officials report that North Korean peasants believed they had been given the land, but that their tenure, and indeed their lives, depended upon implicit obedience to orders; so the matter of title was somewhat academic. In spite of assurances that not more than 25 per cent. of crops would be demanded as tax, actual collections ranged from 50 per cent. upwards. In addition, contributions to the farmers' union, "build the tanks" funds, and other official collections pushed living standards far below pre-1945 standards. Able-bodied men who escaped being called up for active service had to devote between forty and fifty days in the winter months to unpaid labour on national projects. All these extra imposts were officially termed "voluntary contributions," but villagers were left in no uncertainty that failure to volunteer would be regarded as proof of hostility to the People's Government and "treachery towards Korean farmers."

Progress and Poverty. By Henry George. An inquiry into the causes of industrial depressions and of increase of want with increase of wealth—the remedy. Pocket-size edition **3s. 6d.** Large-type library edition **8s.**