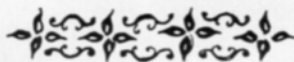


prosperity. To the abandonment of this policy may be attributed the subsequent poverty and distress in Java and Sumatra.

It is always the income level of the agricultural worker that sets the "basic wage" for a country. Therefore, if Indonesia's present land-reform program is expanded to cover a significant proportion of the people, a high level of demand for consumer products can be expected, along with the industrial

educational and cultural advances that have so long been denied to the islands. And if the "land-reform" eventually extends so as to recover, for public revenue, the whole of the annual value of the land, city as well as rural, Indonesia will be a land that the rest of the world will envy.

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A CASE OF STOLEN LABELS

Milton Friedman, professor of economics at the University of Chicago, in an important book entitled *Capitalism and Freedom*, states as his basic proposition that "historical evidence speaks with a single voice on the relation between political freedom and a free market." He points up a fallacy in the slogan, "Human rights before property rights," which obscures the rightful basis of property, namely that a man belongs to himself or his Creator and therefor owns the product of his own labor, with freedom to trade it or do with it as he chooses.

The production of a person which he can keep for himself is his incentive for efficient work, and it is one of the most solid guarantees of individual dignity and liberty. In a socialist state, where a man is said to belong to the state, no one can criticize without endangering his job and his family. The author elaborates on this by stating, "so far as I know none of the people who have been in favor of socialism and also in favor of freedom have really faced up to this issue, or made even a respectable start at developing the institutional arrangements that would permit freedom under socialism. By contrast it is clear how a free capitalist society fosters freedom."

Thirty years ago the intellectuals who boasted of being "advanced" derided discussion of freedom as anachronistic, suggesting government control and planning as a substitute. Professor Friedrich A. Hayek's strong book *The Road to Serfdom* signalled the first revival of interest in defense of the private enterprise economy which Henry Georgists understand as being basic to freedom. The success of recovery in Germany under free enterprise stimulus has underscored this view.

Professor Friedman discusses social welfare measures in this excellent book, also the control of money, government's role in education, licensing of occupations and distribution of income using freedom as his yardstick of judgment. Quoting from A. V. Dicey's *Law and Public Opinion in England*, he states: "the beneficial effect of state intervention, especially in the form of legislation, is direct, immediate and so to speak, visible; while its evil effects are gradual and indirect and lie out of sight."

On how statists have stolen the term "Liberalism" the author quotes Joseph Schumpeter: "As a supreme, if unintended compliment, the enemies of the system of private enterprise have thought it wise to appropriate its label."

—Lancaster M. Greene