



## A LASTING AND PRACTICAL INFLUENCE

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THE IMPACT of a particular book on one's thinking can be gauged less by its immediate impression on one than by its lasting impression. Some books are a nine days wonder, others endure to take a permanent place in our thinking and philosophy. But for some, this is not enough, for others too must be like-wise influenced and introduced - if not to the book then to its fundamental philosophy. Thus some books become classics - and some of these pay the price of becoming a classic by being left unread by a new generation.

In his family biography *A South Australian Colonist of 1836 and his Descendants*, Sir Ronald East includes a Commemoration Address he gave in 1965 at a Dinner to mark the birthday of Henry George, the author of *Progress and Poverty*, in which he told of the effects of this book on his own thinking both within and outside his profession. This Address is now reprinted as a booklet *The Effects of a Book\**.

Sir Ronald, a highly trained and experienced engineer, had little respect for politics and he found political economy "as dry as dust, unreal and hazy". It seemed to him to lack the law and order of engineering and to be unworthy of the appellation of a science. He discarded his studies of this subject in favour of the "real order, logic and satisfaction of engineering" where the engineer "sought for underlying, unvarying natural laws, and having found them, built his theories and his structures accordingly."

Reading *Progress and Poverty* changed his attitude - not towards the economists but towards political economy as a science; for him, Henry George "in simple

lucid sentences, unravelled the tangled skein of social problems and drew together into one harmonious whole the apparently disconnected threads of science and sociology, of production and politics, of human passions and natural laws."

It was when in 1934 he was appointed a member of the State Rivers and Water Supply Commission, that he saw the opportunity of relating his profession to Henry George's economics. (He had already been active politically as a Municipal Councillor). This bore fruit in 1943 when he advanced his idea of a State Development Tax as a method of meeting the costs and reaping the consequent land value benefits of large scale government redevelopment.

"The real profits resulting from irrigation development lie not in the sale of water but in the increase in business activities and land values resulting from that development - and these increases are not by any means confined to the farm lands on which irrigation is carried out. On the contrary, they are largely in the urban areas."

Sir Ronald wrote a number of papers and addressed many societies, institutions and committees giving examples of how many economic and social problems could be dealt with by harnessing the economic theories of Henry George.

"Every engineering plan is a forecast. It is a forecast that forces will be of certain magnitude and that materials will act in certain ways. In other fields of human endeavour forecasts are notoriously risky. Why are engineering forecasts almost invariably correct?"

"I think the answer to this question is that the engineering planner studiously avoids wishful thinking. He earnestly seeks the truth in regard to the forces that will affect his structure of machines and the strength of the

SIR Ronald East, Kt., C.B.E., M.C.E. (Melb.) is a distinguished engineer and administrator. He was Chairman of the Victorian State Rivers and Water Supply Commission for the record term of twenty-eight years, and directed the planning and construction of developmental works of very great magnitude. They included the Eildon Dam, and the Rocklands, Cairn Curran, Tullarrop and Eppalock reservoirs as well as irrigation and drainage undertakings.

He was also the Commissioner representing Victoria on the River Murray Commission from 1936 to 1965 and a member of the Commonwealth-State Committee which evolved the great Snowy Mountains Project. His work in connection with Water Conservation was recognised by a C.B.E. in 1951 and a Knighthood in 1966.

materials which will resist those forces. He seeks out and applies the laws of nature. It does not even occur to him to question the fairness or unfairness of these laws, or phenomena or their political acceptability. He knows that in nature there are no rewards and no punishments: there are only consequences. Errors of thought in science once detected are soon discarded, and are seldom if ever revived. That is not the case in economics."

Defending the free market economy but opposing monopolies, privileges and injustice, Sir Ronald examples Henry Ford: "He had no monopoly privileges, no subsidies and no tariffs enabling him to charge more for his goods than they were worth. People willingly paid his price for his cars and were satisfied that they had obtained value for their money. Henry Ford's profits were legitimate profits. His desire for those profits had meant a material advance in the standard of living of millions of people throughout the world.

"But there are other profits which I would not call legitimate profits, for they have been obtained as a consequence of giving nothing for something or of charg-

\*Available from Land & Liberty Press, 177 Vauxhall Bridge Road, London SW1, the Robert Schalkenbach Foundation, New York, and Henry George League, Melbourne. It is 20p from London.

ing more for articles than they were worth, which charges have been made possible as a result of the total or partial exclusion of competition by tariffs, import licences or other legal privileges. It is unfortunate that the term 'profit' is generally applied to all gains whether they are earned or unearned. For example, the term 'profit' is used when referring to the unearned increment obtained by land speculators who have bought up suburban or country land and held it unused for later resale at enhanced prices.

"Unearned increment is always paid in toil and sweat by some-

one, yet people have seldom questioned the commonsense or the morality of legal or political systems that not only permit unearned increment to go into private pockets, but make it unavoidable."

Among the most popular of Sir Ronald's booklets are *The Faith of an Engineer* and *The Financing of Development Works* obtainable from Land & Liberty Press.

It must be a great satisfaction indeed to be instrumental in translating "mere theory" into practice and then observe it work, even if in limited fashion. This was the privilege of Sir Ronald East.