

munity is similar to that of a trader using non-standard weights and measures. Morally it is in the same category.

At the moment it seems as though the French Socialists, bemused by slogans and ignorance of both economics and finance, may defeat the French Government's proposals. If they do, they will only substitute ultimate, and quick, catastrophic effect for what could and would probably have been a conscious step towards a sounder position.

Inflation, though partly attributable to other causes, for example, unbalanced budgets, is an Alice-in-Wonderland condition resulting from the actions of these currency planners and manipulators. It is the state of the drug addict with phantasy clouding his brain. Losses look like profits; rises in wages purchase less and less commodities; harmful policies look like insurance against unemployment; cheap money loans by the Government look like sound finance; beautifully engraved Government bonds and bank notes turn out to be the chimera of credulity; the whole economy and finance of a society wanders round in a ghost-land of unreality and developing hardship. What should be incentive to greater production turns out to be a premium on absenteeism; moral values and respect for law become confused or vanish; eventually the game of make-believe crashes upon some rock of reality and the facts of life, the laws of nature make themselves felt.

Inflation is the falsest mirage of prosperity, the very deception of the devil, and the longer its drug effects are endured the harder the task of breaking loose from it and the greater the ultimate suffering from the return to normal life. But let there be no mistake about it. If life is to persist then this habit, these wicked State misuses of power, must be utterly broken or Western civilisation, both in Europe and America, will die and its high standard of living and its great and justified hopes will perish from the earth. Liberty, true individual liberty, or death. That is the great law of Nature, for a sound, healthy Society.

To-day the leaders and masses of labour are suffering from the deception of such works as Beveridge's *Full Employment in a Free Society*, and kindred stuff from the Austrian so-called economists and from the Fabian Society. They mistake the feverish flush of the more-than-full-employment of the moment for the ruddy complexion of a healthy economic order. Either they will gain wisdom and knowledge and take the necessary remedies of sound currency, sound land legislation, sound revenue and trade policies and begin to breathe freely and healthily in the liberty of true "laissez faire" or they will come to catastrophes of the sort that Germany went through in 1922-23, *et seq.* In all history this has been the fate of nations which have permitted their central authorities to manipulate the standard of price measurement, viz., currency.

The American position to-day is almost parallel to the British. They have been misled by similar half-understood economic teaching about full employment and security. Under Roosevelt and the New Deal they have been putting their trust in currency manipulation as a remedy for social disorders which require a different medicine. The dollar and the whole economy is thereby distorted. Whilst the American dollar is not so hollow as the sterling pound and whilst the American economy, under some freedom from restrictions, has a slight tendency to correct its unhealthiness, there are still many fatal policies, such as the Protectionism, which distort their economy.

Considering the matter philosophically the startling fact emerges that men have to-day forgotten, misunderstood or never learnt the basic truths which were responsible for the growth of the social order they have inherited. Western civilisation was the product of the Christian ethic, with its derivative belief in the dignity and rights of the individual, termed individual liberty. The teaching of Adam Smith, John Stewart Mill and Herbert Spencer grew out of these beliefs and were applied to some extent by America and, to a different extent, by Britain. The full flower of this teaching given by Henry George was never fully accepted or adopted. The result of this failure was predicted and analytically explained by him and is now coming to pass. As he demonstrated, danger, misery and decay are inevitable if the laws of nature are ignored and flouted.

Men must learn that liberty demands that the central authority shall keep its hands off currency, trade and production; that it shall collect the economic rent of Nature as a trustee for the community as a whole; that it shall cease to take from the individual, by taxation, wealth to which he has the moral title of creator; that it shall fulfil its main, and perhaps its only, function of protecting the individual equal freedom of each unit of its population and shall not itself infringe it.

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## G.B.S. AT IT AGAIN

Mr. George Bernard Shaw had a letter in *The Times*, January 19th, criticising proposals for a "capital levy," and he made some points which were unexceptional. "Put an extinctive tax," he said, "on savings and the market becomes one in which there are all sellers and no buyers, bringing the price of future incomes to zero." But whatever was the bearing of the following remark: "Lloyd George found that out when he let the Left Wing persuade him to tax land values instead of rents; rents are income; and only income can yield anything to the Exchequer." It is remarkable that Mr. Shaw, who has acclaimed Henry George as his mentor in political economy, takes opportunity whenever he can to make a butt of land value taxation and its necessary incidence on the value of all land, used or not, built upon or vacant. The above remark puts Mr. Shaw among those who use the most specious of excuses for exempting valuable land from taxation—that no income is being derived from it, and enrols himself in the camp of the land speculators. Moreover, he confuses the idea of a capital levy with the assessment of land at its capital value for purposes of an annual tax based thereon, the assessment which is used over most parts of the world for local taxation. The Lloyd George tax to which he refers was a tax of but a half-penny in the £ of the capital value of undeveloped land and the "Left Wing"—which was never heard of away back in 1909—had nothing whatever to do with it and we are quite in the dark as to what Lloyd George "found out" about it, or indeed as to the relevance of the remark. Mr. Shaw should try again and ascertain what Sydney, or Brisbane, or Wellington, or Johannesburg, or Pittsburgh, or Copenhagen, to name but a few of many places, have "found out" from such taxation as they impose on the value of vacant land and of all land, *irrespective of the income being derived from it*. Let him disengage himself from folly and look at the "capital levy" in proper perspective.

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