



Don Quixote Rides Again

By E. P. MIDDLETON

"Property" exclaimed Pitt, 'is no disgrace, but it is damned annoying'. In the contemporary United States it is not annoying but it is a disgrace."

— J. K. GALBRAITH: *The Affluent Society*

THE author of the best-seller *The Affluent Society* just published as a Pelican Book, (5s.) was accorded the accolade of myth-bearer supreme. And among the myths, major and minor, he attacked in such elegant language and so sophisticated a style, was the minor one which accords a sort of Delphic status to the priesthood of Madison Avenue—and their equivalents in Britain and elsewhere. In the process, however, he coined a label of which the priesthood itself would have been proud, and it has earned him much manna ever since.

All the world loves a new gimmick and the "affluent society" they took to their hearts with the joy of fellow craftsmen. Its implications of criticism left them undefiled. It is unlikely—certainly there is little evidence so far—that Mr. Galbraith's challenging book will make friends and influence people, especially Government economists, as Keynes' *General Theory* did. And a good thing, too; though it is a pity that Mr. Galbraith's gifts of wit and graceful invective, not to mention brilliant analysis, should earn him no more than the cash value of his best selling success.

One of the many good things he has to say is "Criticism that does not accept responsibility for reform is worse than no criticism at all." And on this constructive basis let us proceed to criticise. Mr. Galbraith gives plenty of scope.

The chief windmill against which the author tilts so skilfully is the great American myth that production is all. "Why worship work and productivity if many of the goods we produce are superfluous—artificial 'needs' created by high-pressure advertising? Why grudge expenditure on vital public works while ignoring waste and extravagance in the private sector of the economy?" as the publisher's blurb succinctly puts his argument. And with that as his battle-cry, Mr. Galbraith proceeds to scarify what he is pleased to call the "conventional wisdom," i.e., traditional economic thought stemming from Adam Smith, Ricardo and Malthus, the guardians of which are "liberals," including the American Association of Manufacturers and the American Chamber of Commerce.

In chapters headed "Economics and the Tradition of Despair," "The Uncertain Reassurance" and "The American Mood," we are given the Galbraith interpretation of those he is pleased to single out as representative of the classical economists. His conclusions? "There were many contradictions and ambiguities in Adam Smith. There

were also flaws in the Ricardian logic as it applied to the Ricardian world . . . he pre-occupied himself with land almost at the point in history when, because of the opening of a new world, it had begun to lose its ancient pre-occupying importance. Malthus generalised too broadly." They were all, however, magnificent "interpreters of the world in which they lived." As the blurb has it "Classical economics was born in a harsh world of mass poverty, and it has left us with a set of pre-occupations hard to adapt to the realities of our own richer age . . . Our unfamiliar problems need a new approach."

The law of rent, Ricardo's great contribution to the science of political economy, gets no mention—unless one can so call a misleading reference to Ricardo's statement that "every rise in profits is favourable to the accumulation of capital, and to the further increase of population, and therefore would, in all probability ultimately lead to an increase in rent." On the other hand, this quotation is given prominence to support Galbraith's accusation of pessimism: ". . . the natural price of labour is that price which is necessary to enable the labourers to subsist and perpetuate their race."

Referring to another famous name in the economics calendar, the author speaks of the "breath-taking grandeur of his achievement as an exercise in social theory." No one, before or since, had taken so many strands of human behaviour and woven them together. — "Social classes, economic behaviour, the nature of the state, imperialism and war were all here and on a great fresco that ran from deep in the past to far in the future. On class conflict, or imperialism, or the causes of national war, (he) was bound to be influential, for he was the only man who had offered an explanation which was at all integrated with the rest of human experience." The name of this great human benefactor? If you should have concluded that it could be no other than Henry George, you could not be more wrong. Galbraith is speaking of Marx, to whom, perhaps not unjustly, he devotes more than one whole chapter.

And what has he to say of George? To begin with, he brackets him with Thorstein Veblen, labels them both "prophets of doom," and then suggests that George's pre-occupation with land was due to the fact that the 19th century was marked by recurrent outbreaks of real-estate speculation, especially in the West, and that Henry

(Continued on back inside cover)

THE SEAMLESS GARMENT

(Continued from Page 83)

would work smoothly in all its public affairs, only suffering decay and death in the individual organism by the universal law of nature.

A world set free means a world which has returned to the natural order and in which the sap flows with full vitality. In such a world the ebb and flow of life, the *systole* and *diastole* of nature, the birth and rebirth which throughout the ages has been the sign and signature of nature would be recreated on the highest and most intense level, surging with the vitality of untrammelled and joyful creation. Individuals would be born, grow and die, societies would arise, flourish and disintegrate, without bloodshed or the ruin of civil strife. The forms of art and religion would manifest themselves on new and more marvellous levels, and the machines we have under monopoly learned to fear would reveal in their very structure the shaping hand of man. Machines as varied and as glorious as the old temples and cathedrals would arise, informed with the art that only shows itself when nature's rhythms are still felt. The vision of Shelley, poured forth in the darkest days of the machine age, may yet point to a glorious resurrection.

The world's great age begins anew,

The golden years return, when the "seamless garment" is restored.

We regret the misplacement of type in the setting of last month's article by Mr. McEachran. Reprints (corrected) are available on request.

PLANNING IN THE WILDERNESS

(Continued from Page 75)

political pressures." Mr. Leslie says "it is sad that these brain children of the Fabians . . . have not been allowed to rise further above the all too common industrial methods of hunch and obscurity." And Mr. Leslie's affection for Fabianism leads him on to his peroration which, while indicating clearly enough where he learned his economics, offers the earnest student in search of economic truth no single crust of assuagement.

"The advent of planning as a means of introducing a coherent pattern into the private sector must make it less difficult for an honest Government to achieve rationality in its own special province. The targets that planning may work out for private industry will have implications for the public sector . . . if planning becomes a going concern, it will be easier to keep economic policy out of politics in the cheap small town sense, and to entrench it more firmly as part of the country's political strategy in a broader and worthier meaning of the word."

Obviously, Mr. Leslie has travelled a long way from Adam Smith.

DON QUIXOTE RIDES AGAIN

(Continued from Page 86)

George spent much of his life in California. Economic ideas, as ever, he says, have their nexus in their environment.

Mr. Galbraith has given us a splendid analysis of modern American society, in which one can see clearly enough corresponds with our own and any number of other industrial societies of our day. A social study of the first order, perhaps; but as an economist, Mr. Galbraith's worth may be gauged from the nature of his own proposals to remedy the social ills he so skilfully portrays.

"The need to provide jobs requires us to face the unhappy choice either of having the economy constantly under inflationary strains or consigning some part of the working force to joblessness or inferior income. Obviously, we shall not reap the rewards of affluence until we solve this problem."

And the solution? Unemployment compensation. Compensation which fluctuates in rate with the rise and fall of unemployment: high, approaching the average earning rate when unemployment is high; low, but above subsistence level, when unemployment is down. Then there should be controls of prices and wages by public tribunals and increased public services are to be financed by special additions to income tax, graduated on ability-to-pay basis.

On the face of it, there is little to wonder at in Galbraith's panegyric on Marx.

W. HARTLEY BOLTON

With sadness we report the death last month of Mr. W. Hartley Bolton who recently underwent an operation from which he never fully recovered.

Hartley Bolton's association with the Henry George movement was a lifetime one. He was the chairman of the Fourth International Conference to promote Land-Value Taxation and Free Trade held in Edinburgh in 1929.

He was a teacher by profession but engaged in many outside activities. He was a member of the Esperanto Association, a writer and lecturer and, following his retirement in 1960, a representative of the Rating Reform Campaign.

He will be greatly missed. To his wife and relatives we extend our sincerest sympathy.

THE THEORY OF HUMAN PROGRESSION. By Patrick Edward Dove. Abridged by Julia A. Kellog, who in a foreword writes: "The book is the single-tax theory elucidated a generation in advance of Henry George. What Dove did for scholars, George did for the masses." Paper, 142 pages. 2s. 6d.