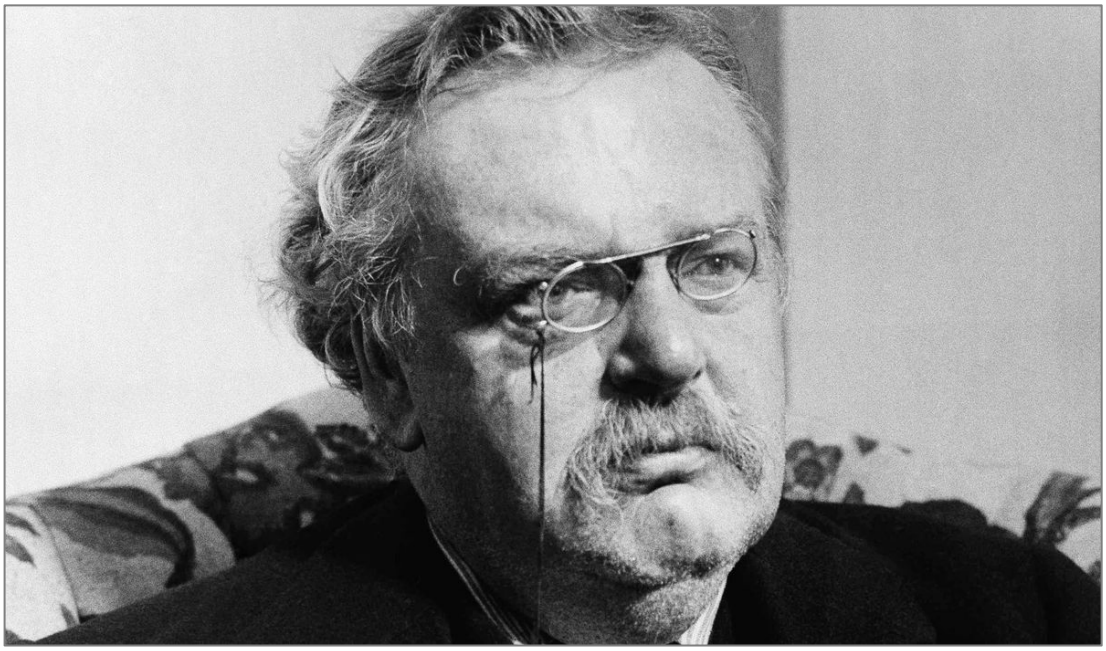

Reclaiming the Economy

A Chesterton Alternative

The 2019 Conference explored Chesterton's social philosophy of Distributism in the present-day economic environment, marked by the forces of bigness, nationally and globally – big business, big government and big communication networks.

It addressed the need for an imaginative rethinking, and a radical restructuring, of today's economic systems. Papers examined Chesterton's vision of Distributism, involving broad distribution of ownership, both personal and family, to stimulate and support productive enterprise, and extend economic freedom as a necessary foundation of social freedom.

Special topics included two 19th century figures – the American political economist Henry George and the Australian journalist and social reformer John Farrell, and the relationship of their ideas to Chesterton's social and economic philosophy.

A Collection of Papers presented at a conference of the Australian Chesterton Society on October 19, 2019, at Campion College Australia, Sydney

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Introduction

Karl Schmude

The year 2019 marks the fourteenth national conference of the Australian Chesterton Society. The first conference took place in Western Australia in 2000 at the Benedictine Monastery in New Norcia outside of Perth. Subsequent gatherings were organized in Sydney (2001), Canberra (2002), and Melbourne (2004). Since 2007, they have been held at Campion College, Australia's first – and only – liberal arts college, religious or secular.

The two names, **Chesterton** and **Campion**, have important links. One is educational – in that Chesterton can be readily seen as a 'one-man liberal arts program', and his works in history, literature, philosophy and theology would qualify for inclusion in the core curriculum of Campion College. A second connection is historical, in having an echo in Australian history, and particularly Australian Catholic history.

In the early 1930s, the Campion Society was established – as Australia's first lay association for Catholic adult education. The Society was founded in Melbourne by several university graduates and professional people, and spread rapidly throughout Australia. In Western Australia, the name it adopted was the Chesterton Club. It was in the West – in the city of Fremantle many years later (1993) - that the Australian Chesterton Society was born. This was due to the initiative of **Mr Tony Evans**, a most learned and accomplished Englishman. Very sadly, Tony died in England last year, and a special part of his legacy is the existence of this Society - to promote a love and knowledge of Chesterton in Australia.

The theme of this year's conference is '*Reclaiming the Economy – A Chesterton Alternative'*. Chesterton's social and economic philosophy of Distributism projected a vision of widespread ownership, both personal and family, which would stimulate and support productive enterprise, and affirm economic freedom as a necessary basis of other freedoms – social, political, cultural, religious.

The gathering featured four speakers, and attracted an audience of 60 people from various parts of Australia, and included, for the first time, a visitor from New Zealand who is keen to establish a New Zealand Chesterton Society.

The purpose of the conference was to *explore ideas that offer alternatives* to the current economic and social order. At a time when there is a certain intellectual exhaustion in our society, which intensifies the urge to reject rather than build, we examined the ideas of Chesterton and related thinkers as a positive alternative. The other thinkers were of the 19th century – the Australian journalist and social reformer John Farrell and the American political economist Henry George. Our aim was to engage in some imaginative rethinking of today's economic approaches, as a necessary prelude to any practical or political solutions.

The first step in "reclaiming the economy" is to get our ideas straight – and to come up with good ideas (which, so often, are old ideas rediscovered - or more deeply understood). As Chesterton always maintained, before any moral breakdown, there is always a mental

breakdown – so, a day devoted to exploring good ideas proved to be a worthy way of countering the mental breakdown of our time.

Seeking to devise economic blueprints – specific economic proposals and policies – is a task for another day. This is perhaps hinted at in a famous response that Chesterton gave to a questioner at one of his lectures. As recorded by Maisie Ward in *Return to Chesterton*, the questioner asked: "If you were Prime Minister, Mr Chesterton, what would you do?" Chesterton answered: "If I were Prime Minister I should resign."

Distributism served as a *popular* articulation of the social principles set out in the papal encyclicals of the past century and a quarter – beginning with Pope Leo XIII's *Rerum Novarum* in 1891. Two of these principles undergirded Chesterton's social philosophy – subsidiarity and solidarity.

Subsidiarity (like Distributism, which Chesterton described as an "awkward but accurate name") is about the distribution of power and the carrying out of social responsibilities by the smallest possible entities, especially the family, rather than higher and larger bodies like the state. **Solidarity** is essentially the social extension of Christ's commandment to "love our neighbour", and finds expression in an overriding respect for the common good.

Chesterton believed that a Distributist society provides the best chance of fulfilling these principles – that is, a society which favours widely distributed ownership and power rather than monopolistic organisations (whether in business or government or in social organisation), and one, moreover, which prefers the small to the big. A wide distribution of power and ownership offers the best guarantee, firstly, of subsidiarity – of smaller entities performing social functions of care and service, rather than this responsibility being outsourced to larger and more remote units; and secondly, of solidarity - of social activities taking place in a way that promotes social cooperation and the common good.

The fundamental point about the Church's interest in society – in the organisation and operation of society - is that it is profoundly integrated with the Christian understanding of the human person – an understanding that affirms the God-given dignity and the spiritual destiny of all human beings. It is not ***primarily*** to do with economics. It is, rather, to do with man's spiritual and moral nature, and the cultural conditions that are most conducive to that nature – and relate to the common good and the needs of the broader society.

Present-day economics tends to define human beings as producers and consumers (or customers). This differs sharply from the older view of economics as a *moral* science. Adam Smith, while he is commonly regarded as the father of modern economics, was a moral philosopher - he actually held the Chair of Moral Philosophy at Glasgow University in the 18th century and wrote a book called *The Theory of Moral Sentiments* (1759), which underpinned his most famous work, *The Wealth of Nations* (1776). We see here the deep intertwining of economics and moral philosophy – and, in fact, this connection is signified in the common term, "political economy", which implies the setting of economic activity and policy in a social context, within a human community, a community of citizens. In the words of the American Distributist, John Médaille, Adam Smith saw political economy as a "colony of ethics", and in his book, *The Wealth of Nations*, Smith used the term "justice" more than 100 times.

The qualities that Adam Smith emphasised as making it possible for markets to function were ***moral*** qualities rather than economic attributes. He stressed the need for trust and empathy. These are not qualities, we have to admit, that are dramatically on display in Western society today - but, in fact, they are of ancient provenance. In an important article in the international journal, *The Chesterton Review*, the historian Dermot Quinn (who is Associate Editor of the *Review*), cited an intriguing quote (which, to offer a hint, comes from ancient Greece):

> *"In well-ordered states, although every man has his own property, some things he will place at the disposal of his friends, while of others he shares the use of them . . . . How immeasurably greater is the pleasure, when a man feels a thing to be his own; for the love of self is a feeling implanted by nature and not given in vain, although selfishness is rightly censured. . . . And, further, there is the greatest pleasure in doing a kindness or service to friends, which can only be rendered when a man has private property. [This] advantage is lost by excessive unification of the State." (Chesterton Review, May-August 1994, p.169)*

Dermot Quinn then reveals the author. It is Aristotle, and the quoted passage appeared, not in the midst of an economic analysis but in his great work of political philosophy (which bears the telling title, *Politics*). As Quinn asks, was Aristotle a proto-Distributist - an original Distributist? Had Aristotle survived into Chesterton's time, Quinn suggests, he might have become a valuable contributor to *G.K.'s Weekly*!

However, a decisive change in economic attitudes, from the ancient world to the modern, occurred in the late 19th century when a new generation of economists, such as Alfred Marshall and Stanley Jevons, adopted the utilitarian view with which we are much more familiar. It dispensed with the notion of justice and treated economics as detached from a moral context – more akin to the physical sciences that, to quote John Médaille, "operate independently of human intentions".

Thus we can see that a highly reductive process has taken place. The study of the economy is no longer *political* economy. It has become, simply, economics. An abstract study, rather than a humane science.

When we come to Chesterton's social and economic philosophy, we find it is even more deeply rooted than Adam Smith's – that it is not only related to morality but also to spirituality. It is highly **integrated** with his spiritual and moral philosophy. Chesterton's social and economic philosophy is usually called Distributism (an "awkward" term, as he himself admitted, but one that at least points to its essential meaning – that power and property should be *distributed* as widely as possible).

While this prospect sounds appealing, it is worth stressing that we are talking about a distributive society, *not* a ***re****-distributive* society. This is an issue that invites much discussion, in that we can recognise the need for some re-distribution within an economy to support needs that go beyond the small and the local – for example, national defence or major infrastructure developments or basic services. The question is where to draw the line at re-distribution (which is essentially of people's wealth). How do we support the primary condition of private ownership, as widely spread as possible so as to promote and protect freedom, and not fall into - as an excess of re-distribution causes – a legalised

process of appropriating wealth, rather than generating it, which stifles freedom and initiative and weakens the sense of personal and communal responsibility. How to achieve a critical balance.

There is a famous movie scene which highlights the preference for re-distribution. That great American "social philosopher", W.C. Fields, is asked by his young daughter, Poppy, about his habits as a con-artist and a snake-oil salesman. W.C. Fields explains in this way:

> *"My little plum, I am like Robin Hood. I take from the rich and I give to the poor."*
> *"What poor?" the little girl asks.*
> *"Us poor," Fields replies.*

A final point. It's *not necessary* to be a Christian believer to recognise the social and economic value of Distributism – but it helps! It helps to be a believer, because of the integrated vision of human life that we cherish as Christians, and the connectedness of all human activity. For this reason, when we touch upon such economic issues as a free or regulated market, or the value of competition versus co-operation in promoting material prosperity, Chesterton will be leaning over our shoulder – and urging that we ponder these issues, not simply as economic in nature but as social and spiritual as well; not as discrete or independent questions unrelated to human welfare, but rather as shaping the conditions which are in harmony with, or at odds with, the full nature and ultimate destiny of the human citizen. As Chesterton himself once put it when challenging the popular socialism of his time:

> *"You have left certain human needs out of your books; you may leave them out of your republic." (Maisie Ward, Return to Chesterton, p.58)*

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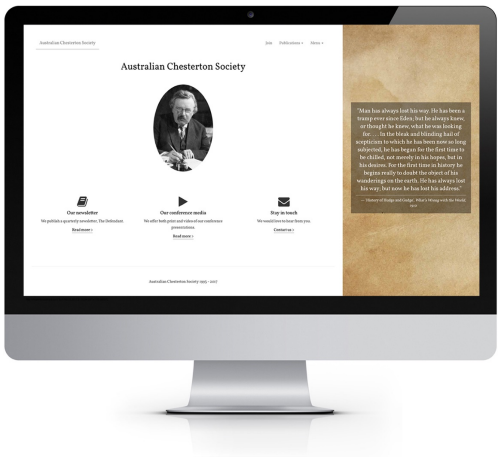
Membership of the Australian Chesterton Society is available for A$30.00 per annum. It includes a subscription to the Society's quarterly newsletter, *The Defendant,* and can be arranged by contacting the Society's Secretary/Treasurer, Mr Gary Furnell (details above).

Australian Chesterton Society Website

All of the conference papers were video-recorded – by Michael Mendieta – and will be available on YouTube as well as on the Australian Chesterton website (http://chestertonaustralia.com/media.php), where the papers of previous conferences are also available, both in in video and text form.

Website designed by Martin Schmude.



The Marketplace and the Family in the Thought of G.K. Chesterton

Garrick Small

Chesterton had a profound understanding of economics, but he did not write economics like an economist. His method was rather that of a poet and his focus was not on the technicalities of the science, but rather on its foundational principles. He ignored *homo economicus* and like Aristotle he recognised that economics was about the interactions of people, and that those interactions were moral, and their resolution was available to common sense.

Hilaire Belloc wrote on the technical issues in works such as *The Restoration of Property*, (1936), but even when Chesterton wrote a book with a title that went to the heart of the economic problem, *The Utopia of the Usurers* (1917), one finds far more common sense observations about people, than about ponderous proofs of the underlying morals behind economics.

Chesterton's most insightful words on economics are found in the story of Hudge and Gudge, in Chapter IX of *What's Wrong with the World* (1910).

Like many of Chesterton's greatest insights, it is not a long and complex argument but a simple allegory in almost too few words. Hudge represents big government and Gudge represents big business. They are both enemies of Jones, who just wants to raise his family and be a hero to his grandchildren. Hudge wants to give Jones a government flat, and Gudge want to rent him the answer to all his dreams, but Jones just wants his own house, for it to be his home and his castle.

Pope Pius XI (1931, n.46) described the economics of Hudge and Gudge in these terms:

> *"Accordingly, twin rocks of shipwreck must be carefully avoided. For, as one is wrecked upon, or comes close to, what is known as "individualism" by denying or minimizing the social and public character of the right of property, so by rejecting or minimizing the private and individual character of this same right, one inevitably runs into "collectivism" or at least closely approaches its tenets."*

The pope is not a poet, but a father wanting to keep his children out of hell. Not only did he care for the families of the Jones's, but also for the souls of the Gudges and the Hudges because he saw their possibly well meaning attempts at solving the economic riddle as dangers to their eternal souls, which he immediately described in these terms:

> *"Unless this is kept in mind, one is swept from his course upon the shoals of that moral, juridical, and social modernism which We denounced in the Encyclical issued at the beginning of Our Pontificate. And, in particular, let those realize this who, in their desire for innovation, do not scruple to reproach the Church with infamous calumnies, as if she had allowed to*

creep into the teachings of her theologians a pagan concept of ownership which must be completely replaced by another that they, with amazing ignorance, call 'Christian'."

These are strong words, but confusing. Gudge and Hudge, individualism and collectivism, capitalism and communism, all are being denounced as aspects of that synthesis of all heresies that is the plague of the Church of our time. Chesterton saw it clearly, so did Pope Pius XI, but it is hardly understood at all in our time.

Let us look a little deeper. Chesterton saw them as enemies of the family, because that is what Jones represents. Jones is a man who seeks the freedom to raise his family and to be a grandfather. These goals can only mean the family as God intends it to be, fecund, faithful, motivated by love and the profound image of the Most Blessed Trinity that is the model for all social relations. This notion of family sounds quaint today and is rapidly being replaced by the family of self-interest. It was warned about by Karl Zimmerman (1947) in his *Family and Civilisation*, when Zimmerman prophesised that a time would come when individuals would only stay with their families so long *"as was biologically necessary*".

Zimmerman was predicting the nuclear family and the social relations within what is misleadingly called gay marriage. For that matter, although he was not a Catholic, he was also predicting the 1983 code of canon law, which introduced the massive personalist loophole of *psychological needs* into the stability of marriage and which provided and escape route via the annulment process that has sent Catholic divorce & remarriage rates now equalling those of the rest of the community. E. Michael Jones (2017) has insightfully concluded that in our world today all sexual relations are modelled on gay sex and not on natural fecund sex, which is to say, the relations of taking and not giving. Through the contraceptive mentality, this gives us the temporary family Zimmerman warned about; a family of taking, not giving. There are also two economics, an economics of taking and an economics of giving. One produces growth and prosperity, the other produces exploitation and eventual decay.

Zimmerman's book is also curious because his work on the family and its foundational importance on the trajectory of civilisation, was also a book on property rights. He showed how changes in property rights could be mapped historically as one of the early indicators of the direction of entire civilisations. Property rights for Zimmerman closely followed attitudes to family, and family relations writ large are the personal relationships that build a civilisation, or destroy it. Chesterton saw this, just as the Church had seen it from the beginning.

Chesterton's solution to the problem of property was widely distributed private property. This gave his approach the unwieldy title of "Distributism". It is not the only solution to property, but it is one of them. It is neither individualism nor collectivism. It is not modern, nor is it modernist. It is common sense, but common sense is often dulled by our fallen nature, with its predisposition to sin. For Chesterton, the economic ideal regarding property was for every man to have his own house, and his own place of work. He recognised that

the concentration of property was an evil thing, just as the Church had always taught that it was an evil thing[1].

St. Thomas Aquinas had perfected Aristotle's dual theory of property seven centuries before Chesterton applied it to Hudge and Gudge. St. Thomas, writing as he was, two centuries before the nascent capitalism of the fifteenth century erupted into the Protestant capitalism of the sixteenth, understood that property was naturally common, but, due to the necessities of fallen human nature, required a dimension of private ownership. The twin aspects of property, private ownership, with common use, map into the twin rocks of shipwreck of faith represented by the individualism and collectivism both denounced as modernist evils by Pope Pius XI. The Catholic understanding of property is neither the radical private property of the individualist, nor the radical common use of the collectivist. We know them more simply as the capitalist and the communist theories of property and economics.

The Catholic Church has always recognised *conditional*, private property, whereas capitalism takes property to the extreme of *absolute* private property. It is no surprise that the nineteenth century rebellion against this dysfunctional extreme private property was its extreme rejection, and Proudhon's socialistic rally cry of '*Property is theft'*. Extreme private property, especially as it concentrates, is theft, but conditional private property is well conformed to the human condition as St. Thomas Aquinas had carefully pointed out.

Property was only one of the four economic principles enunciated by the Angelic Doctor. Along with right use of property, St. Thomas described the right use of money, the right use of trade and our right use of our excess wealth as important moral principles for the organisation of social relations in the economic realm (Aquinas, 1981, Property II-II Q.66, Price II-II Q. 77, Usury II-II Q. 78, Liberality II-II 117). Each of them provided the economic actor with the free opportunity to practice virtue, or the malign licence to practice evil. To the medieval mind, the transactions in the marketplace could be just or unjust. Aristotle had described the possibilities as natural or unnatural (Aristotle, 1976). Despite being a pagan, Aristotle recognised that our true nature is to act justly, though we are also attracted to unnatural acts which need to be discouraged in order to be civilised.

Both Aristotle and St. Thomas recognised that the starkest instance of injustice in the economic realm was in the case of the money loan, where *any* pure profit demanded by the lender was theft. That species of theft had its own name, usury. In St. Thomas's era usury was understood as grievously sinful. Dante put usurers in the deepest pits of hell, along with sodomites. Aristotle (1981) argued that usury was immoral because money was sterile , which E. Michael Jones (2014) saw as the link between usurers and sodomites, and developed Dante's vision of hell to suggest why our part of history views both usury and sodomy as superseded moral values.

The modern era can be viewed as a creeping half millennial battle to baptise usury. Max Weber saw the economic system it spawned as a creature of the Reformation, whose

[1] John Medaille has shown how St. Basil is representative of the early fathers who saw private property rights in terms of 'sufficiency,' with rights to private property diminishing as the excess over sufficiency grew.

principal achievement has been the subjectivisation of all morals. Its success caused Pope Leo XIII to lament that the modern world was awash with *rapacious usury* (Pope Leo XIII, 1891). The early twentieth century Jesuit economist, Heindrich Pesch (1923, trans. 2002-3), defined capitalism as "*state sponsored usury*", and in doing so he implicitly defined it as a form of theft and an expression of greed.

However, half a century later in the ascendency of finance that peaked in the 1980s, it was proclaimed that "*greed is good*". This was only a refinement of Adam Smith's eighteenth century inverted moral dictum based on his "invisible hand" metaphor[2]. Smith argued that self-interest was the master good that coordinates and perfects the economic relations of nations. He believed that if everyone was self-interested, then everyone would work hard, get rich, and there would be no need for any other moral element to make the economy work at its optimum. However, Smith's self-interest is only really a politer term for *greed*. Smith was the eighteenth-century Scottish professor of moral philosophy who is often dubbed the *father of modern economics*. His dictum is really a moral inversion of greed from being a vice into being the key to social harmony.

Chesterton was not convinced by Smith, though Karl Marx was. Chesterton correctly noted that communism was the fruit of capitalism. In this he is joined by many others, not the least the contemporary Catholic philosopher, Peter Kreeft (1984). Both communism and capitalism are ultimately centralist. Both are based on a faulty concept of freedom. The perversion of freedom has perhaps been the most sinister achievement of the modern era.

Freedom[3], or liberty, has become the fundamental moral right of the West and its ultimate moral objective. It may be a right, but the conception of that right is faulty. Freedom is the context for the unfettered exercise of free will, and free will is the raw material, the matter, or material cause, of moral action. Without freedom, no moral act is possible, but this does not necessarily mean that freedom is a moral end. Virtuous action is the exercise of free will to choose the good. Exterior freedom facilitates virtuous action. Training in virtue does not have its end in freedom, but in that habit of the intellect to identify the good, and of the will to choose it. Modernity has been partly about the truncation of morals to the point that the greatest good, the *summum bonum* of moral action, is merely the removal of all constraint. In this part of history it is common to hear freedom spoken about as though it was the end point of moral action[4]. It is not.

Where freedom becomes the *summum bonum*, all moral discourse ends, and licence is placed on equal footing with virtue. This is why the Church spoke of liberalism as an evil in the nineteenth century and by that word referred to capitalism, which it condemned. It was referring to the way that the intellectual enemies of the Church in the eighteenth century

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[2] Smith claimed that a society of people did not need any moral principles in the marketplace, since it only required each participant to pursue his own self-interest and that would prevent others from exploiting them. This co-ordination through individual self-interest Smith likened to an "invisible hand" that directed the result to its optimum.

[3] St. Thomas Aquinas defined freedom as *the ability to exercise free will*, which can also be considered regarding practical things as the ability to choose a particular thing.

[4] See for example *Amoris Laetitia* n. 115 and following.

had elevated freedom to a dysfunctional extreme. Even more complex was the way that eighteenth century liberalism expressed itself in two polar-opposite manners. In England, liberalism was associated with capitalism and the conservatives. Across the channel in France, liberalism was associated with the communes and the revolution and the Left. It was the French understanding of liberalism that Benjamin Franklin took back to North America. It meant that the American war of independence was actually fought between two armies who shared the same battle cry "Liberty".

It could well have been Hudge fighting for liberation from the liberality of Gudge. The Americans framed it as the little people liberating themselves from the predatorial practices that had built the British Empire. The Left seeking liberation from the Right. In the American case that liberation had merit because the British Right had exceeded its moral mandate, just as it had done over all its empire, including within its own shores. The excesses of British liberalism forced indentured Indian labour into working misery in various colonial outposts, it sold opium into China and sent destitute Englishmen into prisons the size of countries and given names like New South Wales.

A characteristic of British liberalism is the concentration of property. It is centralist, though not centralist in the socialist sense of centralising economic power into the hands of the government, but in the individualist sense of centralising it into the hands of a few individuals who had none of the civic obligations of the State. Chesterton recognised that centralisation of any stripe was antisocial and therefore, past a point, immoral. His solution was anti-centralist, widely distributed private property.

Chesterton understood that keeping property distributed would require a moral effort. It could not be left to the coercion of the government, or it would become socialist. It could not be left to the mechanics of greed as Smith had taught, because greed is antisocial and turns every man into a predator in a competition where few survive and most are consumed. Chesterton's economics is taught subtly. His work "The Utopia of the Usurers" is not the outline of a theory or a programme, in the way that Belloc's "Restoration of Property" is. It is rather an appeal to our higher faculties, a plea to consider the common sense of self-restraint in the marketplace. It is an appeal to engage in the economy in a way that does more than seek the slickest bargain, or the fattest profit. It is to freely choose to act in a civilised manner, which is a moral manner, and a Godly manner.

In this, Chesterton combines the inner lessons within all of St. Thomas's economic morals. While usury may be narrowly the theft involved in the exploitation of a money loan, the theft through an unjust price in the marketplace has much in common. It is also comparable to the theft of that common use in private property that the owner must always afford to the community, whether they be tenants, customers or employees. In *Caritas in Veritate*, Pope Benedict XVI threw attention on way that these evils could only be avoided by recognising that "*both the market and politics need individuals who are open to reciprocal gift.*" (Pope Benedict XVI, 2009, n.39). In this the pope was implicitly proposing the solution to the riddle of the twin rocks of shipwreck of his predecessor. It could not be the false liberality of the Left or the Right, but the true freedom that comes from self-restraint and it is traditionally taught within the family.

Lester K. Little (1978) is amongst those who have noted the difference between the contract economy and the gift economy. The contract economy is the economy of self-interest expressed as either communism or capitalism. The gift economy is the economy of the family. In the functional family the economic exchanges are all gifts. A mother does not charge her son for breakfast, though he does have to do his chores. Although the father's role is to teach and direct the coordinated life of the family, his goal is not its subjection, but the growth into adult responsibility of his children, to the point where they can adopt the selflessness of their parents.

A father's role is to love his wife and his children, just as it is his wife's role to supply her children with the first and most profound exemplar of the orderly obedience and submission that we all eventually owe to God the Father Himself[5]. Both are gifts, reciprocal gifts between spouses and simultaneously gifts that proceed to the children.

St. Bonaventure articulated the triune gifts of love that comprise the Most Holy Trinity (Bonaventure, 1979) and these flow down into the family which is its most perfect image on earth and the archetype for all social relationship. Pope Benedict's fondness for St. Bonaventure[6] is evident in his economics (Pope Benedict XVI, 2009). It is an education in virtue, which is always self-restraint for the good. This is true freedom. It points in one direction. In the family it directs children to understand how to be parents in their turn, where they must exercise virtue of their own volition. The school of the family is meant to teach these lessons to all of society as well, within all of the arena that comprise civilisation. It should be no surprise that there are lessons for economics as well, which is why Aristotle gave economics its name, Οἰκονομικά[7] (Latin: *Oeconomica*), a word that derives from the Koini Greek for household management.

Every social act is potentially an act of love. Chesterton understood this and it is the substrate on which all his writing was built. It is the example of the family, when the family is acting in the image of God Himself. It uses freedom, but only as the opportunity to choose the good, which is what every father hopes to see in his child. It is linked to why the great social encyclicals all had the same form. They all began with a denunciation of socialism, which was followed by a stronger and longer denunciation of capitalism, and ended with the recognition that only through evangelisation could the economic problem be resolved. This is an odd formula for admonitions on economics. It showed that it is not by policies, or institutions that the economic problem is resolved, but by submission to the will of God and the practice of relations that are native to the family.

It should be no wonder that the so-called 'modern science of economics' tries to distance itself from morals, or that socialism is always ultimately in opposition to Christianity and the very idea of morals itself. The language of socialism tends to be the language of *rights*. Oddly they never use the true notion of rights, which always originate in God, but something else—something that has more in common with guns and war and rebellion. A

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[5] See Pope Pius XI (1930), Casti Connubii, n.23 & n.26

[6] See for example Ratzinger (1971)

[7] Οἰκονομικά pronounced: Oikonomea

genuine right is a power or faculty given by God that obligates everyone else to respect its holder. We have a right to life and no matter how effective the rebellion, we will never have a right to kill the innocent.

From our right to life comes the right to the product that proceed from the application of some of that life to a productive endeavour and which may have some value for someone else. St. Thomas Aquinas recognised that fallen human nature makes the convention of private property in those things that come directly from God's creation a practical necessity. It is upheld by God as a positive or conventional right. However, it can never negate the enduring natural right of all men to some level of use of those things.

The contingent right of private property can never be absolute. It is only ever conventional, not natural. In a functional family the parents may own the home, but the children use it as a right. The right of the parents to private property in their home is a convention set by the society that they belong to. The right of the children to the *use* of the house is a natural right they enjoy by being part of the family and part of humanity.

Understanding rights is the key to understanding what lies at the back of Chesterton's economic thought, even though he never articulated it those terms. He recognised that the concentration of economic power in any form was a violation of the rights of those without it. In the case of real property, when a man owns one house, he owns what he needs to shelter his family. He has a right to that as much as his children have a right to it. When a man owns two houses and charges high rents on the one that he does not live in, then he is exploiting his neighbour's right to shelter and turning it into a weapon rather than a gift. The same is true of places of work.

Holy scripture is very explicit about this when Luke (16:11) quotes Christ saying "if you have not been faithful in that which is another's, who will give you that which is your own? God had already told humanity who owned the land in Leviticus (25:23) when He said: "for the land is mine; for you are strangers and sojourners with me." Our private property wealth is all a gift from God, regardless of how much we like to believe that we have a right to it on our own merit. Christ has also told us explicitly how should use all of our wealth when he said: "I tell you, make friends for yourselves by means of unrighteous mammon, so that when it fails they may receive you into the eternal habitations." (Luke 16:9).

Likewise, a man has a right to a living wage, but he does not have the right to the wages of a king, unless he is a king. Employer's often see themselves as kings and extort for themselves the wages of a king by paying their employees the wages of a slave. They are not kings, but tyrants, and in more sober times could expect a lecture from a priest who would warn them, as an act of love, that tyrants go to hell.

Customers have rights to fair prices, and suppliers have a right to fair payment for the raw materials they supply to manufacturers. By contrast, lenders have no right to pure interest income from a money loan, even though they may be compensated for losses due to the loan, such as the effects of inflation.

It is not the purposes of this paper to evaluate the implications of this set of rights, but merely to observe that they do exist and that there are methods for their evaluation. More

importantly is the fact that they are moral obligations that the economically strong owe to the economically weak. Being moral obligations, they may be freely accepted as an implicit act of love, or they may be sinfully rejected. Somehow the common man understands these things and Chesterton insightfully presented to the common man, what he really knew already.

Chesterton went further than this. He made some suggestions for practical methods of protecting people from the human frailty of the inclination to exploit their neighbours. In the case of property, Chesterton's distributism would have public policy and private behaviour oriented towards widely distributed private property. This would mean that as many people as possible would own their own place of residence and their place of work. This would ultimately be a moral or a social principle, and it would rely on the participation and good will of the members of society. In our practical fallen world people often need prompts to behave in moral ways, these include the code of law supported by the judicial system. Hillaire Belloc (1936 (rpt. 2002)) suggested legal mechanisms for discouraging people from owning more property than they needed for their family's needs.

A similar approach was taken for work. Chesterton's preference for small shops reflects this. Why does one need a multinational franchise to flip hamburger patties, when one man equipped with a fairly simple set of tools can do as well, or perhaps even better? Chesterton correctly identified the role of advertising in this unfortunate trend (G. K.. Chesterton, 1917 (reprint 2002), p.15) and his strategy for its undoing (G. K. Chesterton, 1910 reprint 2007). In particular is his recognition that the remedy should not primarily come from legislation or revolution, but by popular decision.

The best way to support small shops is to shop in them. Here Chesterton is recommending something disarmingly simple, but impossibly difficult. Would you buy a hamburger from a little family owned business, when there is a McDonald's nearby. You probably would, because you are attending a Chesterton conference, but most may do otherwise. This is the essence of the remedy of Pope Leo XIII and Pius XI, evangelisation. The solution is the freely willed decision to choose the difficult, though perhaps in reality, only the marginally more expensive. The Catholic views every other person in the world as his neighbour, and freely chooses to treat him as a brother. In the case of the economy, that free choosing stimulates the local economy and strengthens it. For us it means choosing the Australian product and being willing to pay a little more than its Chinese counterpart.

That choosing may appear expensive, but it is actually purchasing jobs and businesses for our children, who are our future and the workforce that will fund our retirement. It is a good investment.

Distributism has many critics. If one accepts their anthropology, then their criticisms are sound and explain why distributism is dead in the water today. The anthropology of the critics of distributism is pretty much the anthropology of the enemies of the Catholic Church. An anthropology is a theory of what it is to be human. Modernity believes that humans are self-interested individuals. Catholics believe that humans are made to know, love and serve God in this life and be with Him forever in the next. Part of loving God is to love one's neighbour, which in the market place is to freely avoid concentrating property or

using one's economic power for exploitation (Pope Pius XI, 1931). It is also to support public policies that promote the same.

An unfortunate trend in the Catholic Church today is the tendency to adopt the modern anthropology. The self-interested individual is focused on his own needs and wants God to accommodate them. For the modern progressive Catholic, this has expressed itself as a rejection of the Church's timeless standards on marital relations, which has eaten into the Catholic family, and the robustness of Catholic marriage[8]. The individual's needs trump the will of God and the good of society. The needs of the human person are now the object of religion in some quarters and are fast becoming the standard for marriage itself. For the modern conservative Catholic, this same aberrant anthropology expresses itself as a rejection of the Church's timeless standards on economic relations[9].

In Chesterton's time these twin rejections were more obvious in the economic arena where they have been apparent since the Protestant revolt. Today, so-called gay marriage displays their triumph in the family as well.

Distributism is but one of a number of economic systems that can effect a just and economically comfortable society. It was proposed as the system that would best suit contemporary Western culture, which it most probably is. While there may be other systems that could also achieve this end, the one thing that we can know with certainty are those systems that do not. These are the twin rocks of shipwreck warned about by Pius XI (1931), socialism and capitalism. Pius XI taught us that whenever we find a Catholic promoting either of these, we are actually in the sway of someone infected with a moral, social, and juridical form of that aberration which St Pius X described (1907) as the synthesis of all heresies.

Chesterton leads us away from those rocks of shipwreck, towards common sense in the market place. He leads us to treat our neighbour as part of our family. The family is God's image on earth and the example for all of society. Between the worldly wisdom of Hudge and Gudge is the divine wisdom of the family of Jones. Chesterton has been aptly described as the apostle of common sense, but this has also made him the apostle of the family. His work coveys its joys and its truths. The Godly family is possible and difficult, and joyful. It requires self-discipline but it brings great rewards. The Godly economy is also possible, difficult and joyful. It too requires self-discipline, but it also brings great rewards.

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8 This is illustrated in Pope Francis's (2016) encyclical on marriage when he wrote "*individual conscience needs to be better incorporated into the Church's praxis in certain situations which do not objectively embody our understanding of marriage.*"

9See for example Hoffman (2010)

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The Poetry of Distributism

Karl Schmude

Is it possible to speak of a social and economic philosophy as 'poetic'? Chesterton's philosophy of Distributism, which he admitted was "an awkward but accurate name",[1] conveys its essential meaning of widely distributed property and ownership (as against their concentration in a few hands), but its origins can be seen as poetic more than philosophical.

Distributism lay deeply rooted in Chesterton's imagination. It was revealed in his first responses to the world and in his fiction, his novels and poetry, not just in his didactic works of social and political criticism. His early experiences and intuitions helped to form his mature philosophy of a well-ordered society – a Distributist society, marked, as he believed it should be, by the broadest possible spread of property, forming the foundation, not only of *economic* freedom, but of all other freedoms as well – social, political, cultural and religious.

A crucial reason for probing the imaginative roots of Chesterton's social outlook is that, as Ian Boyd, a pioneer of the modern Chesterton movement, has noted, Chesterton did not provide in his writings a systematic account of Distributism[2]. This is not to say that he failed to make clear what he meant by it, but simply to suggest that it emerged from his imagination, not only his reason, and that both played a crucial part in shaping his social outlook. The late Les Murray, regarded as Australia's unofficial poet-laureate, captured this insight in his poem, "Poetry and Religion":

> Nothing's said till it's dreamed out in words
> And nothing's true that figures in words only.[3]

It is worth recalling that Chesterton began writing as a poet and an artist, not a journalist. He produced poems even before he turned the age of 10, and after leaving school, he attended, not a university, but an art school in London. His first published books (in the year 1900) were works of poetry – one comprising satirical pieces called *Greybeards at Play*, and the other, a bigger and more varied collection, entitled *The Wild Knight and Other Poems*.

Searching for early intimations of Distributism in Chesterton's writings, we might begin with his autobiography, completed only a few weeks before his death in 1936. This has been a highly underrated work, as his latest biographer, Ian Ker, suggests - a "vividly authentic self-portrait", worthy to be ranked with John Henry Newman's *Apologia Pro Vita Sua*.[4]

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[1] G.K. Chesterton, *The Outline of Sanity* (Leipzig: Bernhard Tauchnitz, 1927), p.16.

[2] Ian Boyd, The Novels of G.K. Chesterton, A Study in Art and Propaganda (London: Elek, 1975), p.77.

[3] Les Murray, "Poetry and Religion," in *Collected Poems* (Port Melbourne: Heinemann, 1994), p.267.

[4] Ian Ker, *G.K. Chesterton: A Biography* (Oxford: Oxford University Press, 2011), pp.xi, 128.

The early portions of the autobiography shed fascinating light on the ways in which children develop their picture of the world. In one chapter, "Nationalism and Notting Hill", Chesterton recalls his childhood enchantment with the first telephone installed in his home. It ran from the top bedroom to the far end of the garden. It startled Chesterton to hear a voice which was actually as distant as the next street, and he would hardly have been more startled if it had been as distant as the next town – or the next continent. Thus in his first years, he was impressed imaginatively on a small scale by a large scientific wonder. "I always found," he wrote, "that I was much more attracted by the microscope than the telescope."[5] The microscope, that is, penetrating more deeply into reality than the telescope, which brings a remote reality closer - to more intimate (and in a sense illusory) awareness. Things are not really as close as the telescope makes them appear, but they are as close as the microscope reveals more fully.

Chesterton builds on this reflection by discussing his theory of liberty. He contrasts the world's common understanding of liberty with his own. It is a contrast, he says, between seeing liberty in expansive terms, "as something that merely works outwards", getting bigger and bigger, and - in Chesterton's sharply different view - seeing liberty as "as something that works inwards", getting smaller and nearer, closer to the core, the spiritual centre, of our lives.[6]

Chesterton's understanding of human freedom is, indeed, decidedly at odds with the view that is deeply embedded in our culture. We are accustomed to seeing liberty in terms of latitude and license, of freedom from restrictions. We see it in terms of "freedom *from*", rather than, as Chesterton saw it, "freedom *to*" – freedom to explore and to probe and to penetrate, in search of deeper meaning; freedom to uncover what is there, not freedom to invent what is not there.

Chesterton did not share the common description of the first dreams of life as "mere longing for larger and larger horizons", a working towards the infinite. He thought, on the contrary, that the imagination thrived on valuing the *finite*. The imagination, he said, as the word itself implies, "deals with an image. And an image is in its nature a thing that has an outline and therefore a limit." [7] Thus Chesterton thought – in his characteristically paradoxical way – that the basis of liberty was *limits*. As he recalled:

> *"All my life I have loved edges; and the boundary-line that brings one thing sharply against another. All my life I have loved frames and limits; and I will maintain that the largest wilderness looks larger seen through a window."*[8]

This fundamental insight finds expression in many of Chesterton's works, not only his directly philosophical writings but also his fiction. For example, in *The Return of Don Quixote*, the main character, Michael Herne, is performing in a play and wearing a medieval

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[5] G.K. Chesterton, *Autobiography* (London: Hutchinson, 1936), p.106.

[6] Ibid., p.107.

[7] Ibid., p.107.

[8] Ibid., p.32.

costume with a hood. At one point he says that there is something "symbolical" about wearing a hood; and when asked by the author of the play to explain what he meant, he replied:

> *"Have you never looked through an archway . . . and seen the landscape beyond as bright as a lost paradise? That is because there is a frame to the picture. . . . You are cut off from something and allowed to look at something. When will people understand that the world is a window in a wall of infinite nothing? When I wear this hood I carry my window with me. I say to myself – this is the world that Francis of Assisi saw and loved because it was limited. The hood has the very shape of a Gothic window."* [9]

In his autobiography, Chesterton reflects on the importance of limits in the life of a child. This experience is *not* one of seeking to destroy limits, but rather to invent imaginary ones. Chesterton instanced sports and games, which depend on the creation and acceptance of certain rules and restrictions, certain self-limitations, for the pleasures of the sport or the game to be enjoyed. His insight into the intrinsic link between limits and liberty provides a glimpse into what predisposed him to Distributism – what underlay his psychology of interest in this social and economic philosophy. It is an intuition that helped to account for what I have called "the poetry of Distributism". It paved the way for his mature conviction that the social order most in tune with human nature is one that recognises, and even celebrates, limits, not just possibilities, in life. It is not a social order that favours the infinite, for that will tend to induce utopian fantasies, which disfigured human history in Chesterton's lifetime as well as since his death.

There is another dimension of Chesterton's espousal of Distributism which *The Return of Don Quixote* highlights – and that is, facing the challenge in any age to break away from settled assumptions and prevailing opinion. This is decidedly so in our age, bombarded as it is by unrelenting communication modes and messages. In the novel, the costume being worn by the character Michael Herne is that of a medieval king. When the play finishes, Herne stays in his costume and refuses to change back into his present-day clothes. His fellow players are at first bemused and finally displeased with him. Yet this is not a case of Herne being eccentric or trapped in the past. Rather it is Chesterton's way of showing that Herne is taking on the perspective of the past in order to evaluate and criticise the present. Herne is distancing himself mentally from his own era and taking on the dress of another age as an avenue to intellectual liberty. In Chesterton's description: "He was simply embarrassed, or rather paralysed, in the presence of his own old clothes." [10]

Every reader of Chesterton is aware of his exceptional gift for finding vivid ways of refreshing important truths. In this case, he uses the costume of a past age to signal a detachment from the prejudices of a present age. He places us mentally in another time, sharply different from our own, to open up the freedom to question the fashionable ideas and theories that clamour for obedience in our own cultural landscape. He adopted the

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[9] G.K. Chesterton, *The Return of Don Quixote* (London: Chatto & Windus, 1927), pp.171-172.

[10] Ibid., p.189.

same approach in striving to convince us of the value of Distributism as a social and economic philosophy. Conditioned as we are by the presumed benefits of bigness – the bigger, the better – it takes an enormous intellectual, and *imaginative*, leap to see the advantages of smallness, and to conceive of a different kind of social order.

Similarly, it takes an act of the imagination to be thankful for the things we do enjoy – to take them with gratitude, as Chesterton put it, and avoid taking them for granted.[11] There are striking examples of this insight in his novel, *Manalive* (1912), in which the main character, Innocent Smith, plays a part similar to Don Quixote - the "holy fool", as he has historically been called. He appears to be mad, but is, in fact, a repository of perennial wisdom. Innocent Smith is a new tenant at a London boarding house who is accused of various crimes – including burglary, attempted murder, and polygamy. Evidence is then presented that shows him to be, indeed, innocent. Thus the attempted murder charge arises because Smith fires bullets near people – but he does this, not to threaten them, but to re-excite their appreciation of life. The women he elopes with are in every case his wife, Mary, who poses as an unmarried woman under different names as a way of reliving their days of courtship and rediscovering their original love. Smith leaves his home to travel round the world, not to escape from the humdrum, but to recapture a sense of thankfulness for the familiar – for his own home and family – a renewed appreciation of his own property and all it offers him.

Imperialism and Socialism

To turn to the political movements that were dominant in Chesterton's youth and early manhood, he names these in his autobiography as Imperialism and Socialism. He notes that, while they were supposed to be in conflict, he found them to be, in effect, united.

Certainly they clashed with his childhood intuitions – or what he called "those dim gropings in my own imagination".[12] Both Imperialism and Socialism were in favour of organisation on a large scale – in the one case, the unification of an empire across many nations, and in the other, the centralisation of society. Both were seen through the telescope rather than the microscope. Both conflicted with Chesterton's desire "for having things on a smaller and smaller scale".[13]

Chesterton detested Imperialism, and in particular the British Empire. He was among the few public intellectuals who opposed the British control of South Africa during the Boer War at the turn of the 20th century. In his autobiography, he makes a nice play on words when commenting on the expected immortality of the British Empire. When told of an empire "on which the sun would not set", he commented that he had "no use for an empire that had no sunsets".[14]

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[11] G.K. Chesterton, *Autobiography* (London: Hutchinson, 1936), p.330.

[12] Ibid., p.111.

[13] Ibid., p.111.

[14] Ibid., pp.106-107.

If Chesterton were alive today, he might see that the new forms of imperialism are inspired by globalisation, which consists of the enthronement of a world-wide bigness.

It seems to me remarkable that Chesterton's insights are finding expression in today's Western democracies, notably the political controversies of our time – the Trump phenomenon in America, Brexit in the UK, and to some degree the unexpected result in Australia's 2019 federal election. There is a deepening conflict between smallness and bigness - between the smallness of national and regional loyalties, preferred by most ordinary people (particularly in rural areas and the suburbs), and the bigness of global and supra-national bodies like the United Nations and the European Union, which are favoured by the urban professional and political classes. These tensions have been explored by the British writer and commentator, David Goodhart, in *The Road to Somewhere* (2017). Goodhart draws a contrast between those he calls the 'Somewheres', who have a strong sense of family roots and national identity, and form the basis of the so-called populist revolt of our time, and the 'Anywheres', who are urban, mobile professionals, global in their outlook, and disproportionately powerful in the opinion-forming and decision-making activities of today's Western societies. In many ways, this dichotomy highlights the great paradox at the heart of globalisation, at least in the West and particularly for the 'Somewheres'. It favours people as consumers (providing cheaper goods and services) but disadvantages them as producers (by dismantling productive trades and generating unemployment in traditional industries such as manufacturing).

There is a further illustration of Chesterton's ideas that is worth highlighting, and that is the technological networks that have emerged, such as Facebook and Apple. These organisations epitomise the global vastness of modern communications while offering the illusion of smallness and personal intimacy. We have only to think of our smartphones as capturing this extraordinary combination. They are behemoths, conceived through the telescope, we might say, but exhibiting their power through the microscope. Chesterton might well have seen globalised communications as the characteristic form of imperialism in the 21st century.

Chesterton also recognised that the love of smallness could extend to a love of one's country, as we can readily translate a sense of larger loyalty (to one's country) into a small and personal devotion (to our family or our neighbours or workmates). No doubt it is important, in thinking about a love of one's country, to distinguish between nationalism and patriotism – nationalism tending to be a product of pride and assertive superiority, while patriotism springs from love and the acceptance of self-sacrifice. C.S. Lewis, in *The Four Loves*, treats of the love of country and, while acknowledging that it can become destructive when taken to excess, as shown by the World Wars, he argues that it is a positive force. He notes that Christ Himself cherished love for his country, as revealed in his weeping over Jerusalem (Luke 19:41).[15]

I would like to turn now to Chesterton's social and political convictions and explore their imaginative aspects. These convictions might conveniently be viewed in two phases of his life. The first was the early years of the 20th century, when he was preoccupied with the

[15] C.S. Lewis, *The Four Loves* (London: Fontana Books, 1963; orig. ed. 1960), p.25.

state of British politics, focusing in particular on what he saw as the corruptions and collusions that characterised public life at that time. The event which crystallised his attitude was the Marconi scandal, a case of insider trading – curiously (and perhaps prophetically for our time) about a telecommunications company. The scandal broke just before the First World War and ensnared senior government ministers. Chesterton called it "the great test case of political corruption"[16] at that time, and he had a highly personal interest as his brother, Cecil, was conspicuously active in exposing the scandal in the Distributist journal, *The New Witness*, and was sued for criminal libel. (While found guilty, he was fined a token 100 pounds plus costs – which may be thought to have justified his exposé.)

During these years Chesterton was writing, not only as a journalist but also as a poet, about the conditions that he found so detestable about capitalist society as it existed in Britain at that time. In a poem called "The Song of the Wheels", he gave voice to the mounting mechanisation of life. The poem anticipates the Distributist protest against the dehumanising effects of technology, and how it can condition our minds and make them machine-like, so that, while it shows the face of an obedient servant, it possesses the heart of an unrelenting tyrant.

To provide some sense of "The Song of the Wheels", a long poem which Chesterton composed over two days during a railway strike in 1911, I will quote some scattered lines which reveal industrial man's lamenting the oppressions of mechanised work:

> *"King Dives he was walking in his garden all alone,*
> *Where his flowers are made of iron and his trees are made of stone,*
> *And his hives are full of thunder and the lightning leaps and kills,*
> *For the mills of God grind slowly; and he works with other mills. . . .*
> *Call upon the wheels, master, call upon the wheels;*
> *We are taking rest, master, finding how it feels, . . .*
> *Yea, the Wheels are mighty gods – set them going then!*
> *We are only men, master, have you heard of men?*
>
> *O, they live on earth like fishes, and a gasp is all their breath. . . .*
> *Of all the things that men have had – lo! We have them not.*
> *Not a scrap of earth where ants could lay their eggs –*
> *Only this poor lump of earth that walks about on legs - . . .*
> *You have engines big and burnished, tall beyond our fathers' ken,*
> *Why should you make peace and traffic with such feeble folk as men?"*[17]

In these early years, both as a journalist and a poet, Chesterton was preoccupied by the negative features of modern society. By the 1920s, however, his outlook began to take on a more constructive character. He wanted to articulate an alternative social and political

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[16] G.K. Chesterton, Introduction to Cecil Chesterton, *A History of the United States* (N.Y.: George H. Doran, 1919), p. xii.

[17] G.K. Chesterton, "The Song of the Wheels," in *The Collected Poems of G.K. Chesterton* (London: Cecil Palmer, 1927), pp.154-157.

philosophy. This was evident in the founding of a political movement in 1926, the Distributist League, and in its principal outlet, *G.K.'s Weekly*, which laid out a positive political program, promoting the key principles of Distributism - widespread ownership and land distribution and worker control.

The change is reflected in Chesterton's fiction at the time, particularly those works which Ian Boyd calls "The Distributist Novels"[18]. Boyd reveals the change of emphasis – and political articulation – in Chesterton's fiction during the 1920s. In 1922, Chesterton published *The Man Who Knew Too Much*, a novel that highlighted the corruption in English politics and the discrediting of the political class between the two World Wars. It exposed in particular the collusion between political and commercial interests in abusing property. Chesterton saw political corruption and economic capitalism as perverting the good use of property. But as the 1920s unfolded, he became more alive to the *right* use of something that he thought had been so grossly abused.[19] And the right use was expressed in Distributism.

Two novels that followed *The Man Who Knew Too Much* were *Tales of the Long Bow* (1925) and *The Return of Don Quixote* (1927). They correspond to this later phase in Chesterton's social thinking when Distributism became a positive political movement - presented as a practical alternative to capitalism and socialism (a "Chesterton alternative", in fact, as the subtitle of the 2019 Australian Chesterton conference proposed).

Tales of the Long Bow is full of the most fantastic characters who do impossible things. One character eats his hat, another sets the Thames River on fire, a third causes pigs to fly. These seeming absurdities are not without meaning. The person who set the Thames on fire, for example, did so to destroy the evil in much of modern civilisation – literally to burn it away - so that, as Chesterton wrote, "a new and more hopeful chapter [would be] opened in English history."[20] The one who made pigs fly wanted to affirm the value of pigs, He cited the Parable of the Prodigal Son, defending pigs as "those noble and much maligned animals" that gave the Prodigal Son "such excellent advice that he returned to his family."[21]

What has this to do with Distributism – and, in particular, the "poetry of Distributism"? I think the point of relevance is the paradox that Chesterton highlights – namely, that the apparently strange creatures of his imagination are, in fact, normal people. They are depicted as strange only to highlight how out-of-step they are with the distortions of our time that pass for normality and are accepted in a spirit of intellectual and social conformity. They are, indeed, eccentric. But, as Chesterton says (and the word itself implies): "You cannot be eccentric without a centre."[22] And the centre to which they draw attention is the cluster of perennial truths that represent sanity and underpin the life of ordinary people. As Dale Ahlquist has noted:

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[18] Ian Boyd, The Novels of G.K. Chesterton, chapter 4.

[19] *Gilbert*, July-August 2019, p.31.

[20] G.K. Chesterton, *Tales of the Long Bow* (Beaconsfield: Darwen Finlayson, 1962; orig. ed. 1925), p.169.

[21] Ibid., p.63.

[22] Ibid., p.109.

> *"The surprise is that these men are not on the fringe, but help form the very fabric of what is normal, a life that is indeed 'centred'."*[23]

And as the character who made pigs fly says:

> *"When you come to think of it, it's we who always stay where we are, and the rest of the world that's always moving and shifting and changing."*[24]

Tales of the Long Bow is essentially about the agrarian dimension of Distributism – the land program which it espoused. This has, in fact, been a common criticism of Distributism - summed up in the phrase "Three Acres and a Cow"[25] - that it is essentially a social and economic philosophy which can only work in a rural society. Is this the case, that Distributism is only feasible in an agrarian society, or can it have application to an industrial society – or, now, in a society rapidly becoming post-industrial? Can its essential principles be applied in any kind of society?

While the suspicion may arise that Chesterton was a Luddite who disdained machinery and saw Distributism as essentially related to an agrarian economy and the distribution of land, this suspicion does not correspond with his love of cities – most notably, London – and his life as a practising journalist, a profession that depended entirely on machinery to publish and distribute the newspapers for which he wrote. Early in his journalistic career, he spelt out his enjoyment of this enterprise. He liked to watch "the great lights burning on through darkness into dawn," and to hear "the roar of the printing wheels weaving the destinies of another day." The modern newspaper, he thought, was the greatest work of anonymity since the Christian cathedrals of the Middle Ages.[26]

It was Chesterton's brother, Cecil, who addressed the universal applicability of Distributism - relevant to an industrial society, not only a rural one. In the process Cecil produced perhaps the best and most concise definition of Distributism:

> *"A Distributist is a man who desires that the means of production should, generally speaking, remain private property, but that their ownership should be so distributed that the determining mass of families – ideally every family – should have an efficient share therein. That is Distributism*

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[23] Dale Ahlquist, Chesterton University Lecture 43: Tales of the Long Bow: https://www.chesterton.org/lecture-43/. Cf. the comment by the character Adam Wayne in another novel of Chesterton's: "We have lifted the modern cities into that poetry which every one who knows mankind knows to be immeasurably more common than the commonplace." (G.K. Chesterton, *The Napoleon of Notting Hill*, in A G.K. Chesterton *Omnibus* (London: Methuen, 1936), p.199)

[24] G.K. Chesterton, *Tales of the Long Bow*, pp.135-136.

[25] As perceptively analysed by Thomas Storck, "Distributism? – Or, Three Acres and a Cow?," *The Chesterton Review* , Vol.XLIV, Nos.1 & 2, Spring-Summer 2018, pp.77-87.

[26] Maisie Ward, *Gilbert Keith Chesterton* (London: Sheed & Ward, 1944), p.137.

and nothing else is Distributism. . . . Distributism is quite as possible in an industrial or commercial as in an agrarian community. . . .”[27]

The novel that succeeded *Tales of the Long Bow* was *The Return of Don Quixote*, which addressed the wider application of Distributism. Here Chesterton offers an illustration of the applicability of Distributism to an industrial or commercial environment, not just an agrarian one. He was no doubt mindful of the greater likelihood for monopolies to develop in the concentrated environment of an industrial society than an agrarian one, and he noted - in a chapter called “The Romance of Machinery” in his principal book on Distributism, *The Outline of Sanity* (1926) – his repeated pleas “against monopoly or the concentration of capital”. He urged that we “work towards industrial distribution and away from industrial monopoly.”

“Even while we live in town houses, we can own town houses. Even while we are a nation of shopkeepers, we can try to own our shops. Even while we are the workshop of the world, we can try to own our tools.”[28]

Whereas *Tales of the Long Bow* is concerned with the land program, *The Return of Don Quixote* focuses on industrial politics – on the meaning and implications of industrial commerce. So the two novels, as Ian Boyd observes, deal with complementary sides of Distributist politics and how they relate to each other.[29] This is not to imply that we can find in these works a detailed economic blueprint or program of action. The novels work at the level of the imagination in inspiring the reader to rethink our prevailing assumptions as a prelude to restructuring our prevailing systems.

As the title suggests, *The Return of Don Quixote* offers echoes of Cervantes’ original work. Two of the characters, Michael Herne and Douglas Murrel, re-enact the parts of Don Quixote and his squire, Sancho Panza. Quixote wanted to fight giants with lances (“jousting” or “tilting” as it was called in medieval times), but he mistakenly attacked windmills – hence the expression, “tilting at windmills” (or fighting imaginary enemies). But in the final chapter, to which Chesterton assigned the title of the novel, “The Return of Don Quixote”, the need for a new knight is discussed, a new Don Quixote, to deal with the challenges of a different age. Chesterton offers an exchange of dialogue between the new Quixote and the new Sancho Panza.

“What we want now,” says Quixote, “is somebody who does believe in tilting at giants.” To which Sancho adds: “And who succeeds in tilting at windmills.” Quixote then argues that his prototype – the original Quixote - should have smashed the windmills instead of simply tilting at them, for their creators and owners, the millers, were the middlemen of the Middle Ages, whose successors have wrought great havoc in the modern ages. Their mills have, in Chesterton’s words, “darkened and degraded modern life. . . . . [Their] machinery

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[27] Cecil Chesterton, “Shaw and My Neighbour’s Chimney,” *The New Witness*, May 3, 1917, p.13. Quoted in Race Mathews, *Jobs Of Our Own: Building a Stakeholder Society* (Irving, Texas: Distributist Review Press, 2nd ed. 2009), p.101.

[28] G.K. Chesterton, *The Outline of Sanity*, pp.176-177.

[29] Ian Boyd, The Novels of G.K. Chesterton, pp.113-114.

has become so unhuman that it has become natural."[30] But it is really *un*natural – a mechanical beast calling out for a new Don Quixote.

Chesterton invested property with a unique and even sacred value. "Property is to man," he once wrote, "as Christ is to God."[31] The final chapter of *The Outline of Sanity* was called "The Religion of Small Property", in which he connects the land with spiritual life, urging a respect for the *soil* as well as for the *soul*. He even advocates a "reverence" for the soil, not in any pantheistic way, but as holding an association with "holy things" – "carrying holy things with us and taking them home with us". There is here a powerful sense of consecrated matter – of the ramifications of the Incarnation of Christ; that God's assumption of human nature had a profound and pervasive impact throughout the world of created things. There is almost a Eucharistic hint as Chesterton writes: "In the most exalted phrase, we need a real presence."[32]

This does not imply that Chesterton invested property with such profound significance that it distorted or dispelled his Christian sense that here we have no lasting city. But he did see property as a fundamental quality of human existence, which links us with a past and a place. This sense of rootedness shapes a sense of identity which is lacking in the isolated and dehumanised condition that passes so often for individuality in present-day culture.[33]

Property, Chesterton thought, is intrinsically connected with liberty. Without it, he believed, liberty would perish. In Michael Novak's judgment, Chesterton saw property as an extension of the human person. It was the material agency through which a person expressed his own sense of liberty. In making something of one's own home and small garden, each human being becomes a creator, in the image of the Divine Creator. Novak concluded that, for Chesterton, property was "as natural to humans as their own hands, tongues, and hearts.[34] As Chesterton put it:

> *"Above all, I think it is vital to create the experience of small property, the psychology of small property, the sort of man who is a small proprietor. When once men of that sort exist, they will decide, in a manner very different from any modern mob, how far the central power-house is to dominate their own private house, or whether it need dominate at all. They will perhaps discover the way of breaking up and individualising that power."*[35]

For Chesterton, property had a certain poetic majesty and truth about it. At root, the poetry of Distributism was the poetry of property.

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[30] G.K. Chesterton, *The Return of Don Quixote*, p.176-177.

[31] Quoted in Michael Novak, "Saving Distributism," *The Chesterton Review*, Vol.X, No.1, February 1984, p.14.

[32] G.K. Chesterton, *The Outline of Sanity*, pp.240-241.

[33] Among many other articles on this subject, I would recommend Mary Cuff, "Dating in a Modern Waste Land." https://www.crisismagazine.com/2019/dating-in-a-modern-waste-land

[34] Michael Novak, op.cit., p.14.

[35] G.K. Chesterton, *The Outline of Sanity*, pp.193-194.

John Farrell – Australian Social Reformer

Paul Stenhouse MSC

Editor's Note: Fr Paul Stenhouse was gravely ill at the time of the 2019 Conference and died within weeks of delivering this paper. He was not able to edit it for publication, and the version reproduced here is taken from the text he used at the conference, adjusted according to the video recording made on the day itself. Fr. Stenhouse provided a biographical introduction to John Farrell (who was actually his great grandfather), after which he focuses on Farrell's social and economic ideas in relation to the theme of the 2019 conference.

John Farrell is the hidden element, the 'X' factor, in so many areas of Australian life in the latter half of the nineteenth century that the silence surrounding his life and work becomes all the more extraordinary.

W.H.O Smeaton, in 1888, writing of Australian poetry in the *Centennial Magazine*, compared Farrell's verse with that of Brunton Stephens, Henry Kendall and Adam Lindsay Gordon. Farrell was the literary godfather of William Goodge, the idol of young Henry Lawson, the close friend of Victor Daley, William Bede Dalley, Francis Adams, Roderic Quinn, Banjo Paterson, Mary Cameron, Edward Dyson, Edwin Brady, Sydney Jephcott and of many others whose contributions, like Farrell's, have generally been overlooked in studies of the period.

Farrell's influence on politics and especially his relationship to the early Labor Party; his friendship with, and influence on, the young William Morris Hughes, Frank Cotton and William Holman, and his lifelong espousal of the single tax and Land Nationalisation cause – and his success in getting a salary for parliamentarians, all had an important bearing on land reform and political initiatives whose effects are still being felt today.

Farrell's name is closely linked with those of W.G. Spence and William Lane in the history of Australian socialist literature and thought. Alongside Catherine Spence and, to a lesser extent, Rose Scott, he stands out as a significant figure among the nineteenth-century Australian utopians.

The picture which W.E. FitzHenry paints of 'the bench' at *The Bulletin* (where contributors waited upon the good pleasure of Tom McMahon the accountant) is a miniature that depicts some of the 'greats' in the literary world of pre-Federation Australia:

> *"On the bench, Louis Becke, home from the South Seas, often had a pleasant snooze, and Ernest Favenc and the poet John Farrell swapped many a yarn. From the old bench Harry Morant ('The Breaker') said goodbye to a host of Bohemian friends before his departure to the South*

African War. …Phil May, one foot resting on the bench, is said to have modelled the comical caricature of himself which he labelled "That's Me When I'm Old.' On the bench, Rod Quinn smiled at Hugh McCrae who roared with wild laughter at Rod's gentle humour. Or Fred Broomfield boomed the literature of the world to all who would listen to him. Names that are forgotten now sat on the bench awaiting a cheque from Tom McMahon: P.T. Freeman, Steve O'Brien, Perce Abbott, Stefan von Kotze, Archibald Preston and Phillip J. Holdsworth."

In the opinion of his peers on that bench, John Farrell 'wasn't built to standard,' as bush balladist, poet, journalist and social reformer.

John Farrell was born on December 18, 1851 or 1852 – there is some uncertainty about the year – in Buenos Aires, in the then Confederation of Argentina, better known today as, simply, Argentina. When next we meet him he is editor of The Telegraph, a broadsheet printed in King Street Sydney, and compulsively-obsessively involved with the Single Taxers and Land Nationalisers.

I had heard of Mary Cameron, later Dame Mary Gilmore, before I knew of John Farrell. In 1915, eleven years after the 53-year-old Farrell had died, when my mother was twelve, a remittance man – a regular visitor to her home at Matavai, in Cobbitty, New South Wales, and a tramp without a home of his own – knew, for whatever reason, that he would not be returning to Cobbitty. He told the little girl to keep for herself his copies of *The Worker* that were delivered regularly to Matavai, and advised her to read Mary Gilmore's writings carefully. This she did, and her respect for Mary Gilmore was passed on to me.

In 1905, a year after John Farrell's death, Frank Sheed, founder, with his wife Maisie Ward, of the well-known publishing house Sheed and Ward, was eight years old. He bought his father a copy of *Hits, Skits and Jingles*, by W.T. Goodge. His father showed it to a friend who called it 'pleasant doggerel'. His father never looked at it again. Young Sheed loved it, and well into his eighties would still recite for me poem after poem with relish. He used to say that he learned more about writing from Goodge's verse than from any other book.

Goodge is virtually unknown now, as is Farrell, his journalistic 'godfather'. It was from Frank Sheed that I first learned that Farrell had helped Goodge when the struggling English immigrant was looking for work as a journalist around Sunny Corner, near Lithgow, in the late 1880s.

In a letter drafted on January 21, 1951 Dame Mary Gilmore suggested that an anthem written by the poet John Farrell for the inauguration of the Australian Commonwealth fifty years before 'should be reproduced for use during the Jubilee.' She added, 'it will be remembered that John Farrell was one of the important poets of his day on'.

The anthem in question, 'Hymn of the Commonwealth,' sung by an adult chorus of 1,000 voices on Inauguration Day, prays in the fourth and last stanza,

"Ordain that as brothers
We live in the sun
And light of Australia,

With nationhood won,
Just, kind, as no others
Before us have done.
For evermore."

History must decide with what 'justice' and 'kindness' the Commonwealth has distinguished itself since Federation; but Mary Gilmore's artless expectation that Farrell would be remembered has remained almost entirely unfulfilled.

For Farrell remained a mystery, even to those who loved him. He never sought the glare of footlights and 'constantly withdrew himself into obscurity.' He enjoyed the anonymity he found – first as contributing poet to various country newspapers, to *The Bulletin* newly born and to numerous well-known journals of political and social reform; then as editor and owner of a number of newspapers and journals; and finally, as editor-in-chief and leader writer for Sydney's *Daily Telegraph.*

Were it not for the unanimous respect and admiration his contemporaries had for John Farrell as poet, reformer, patron of young writers, journalist and friend, we should be tempted to leave him in his beloved anonymity.

But Farrell's story is too inextricably bound up with that of significant contemporaries, many of whom have shared his fate, for it to be left untold. And the oblivion in which he has languished for more than one hundred and fifteen years, was not willed by the 'public' who loved him, nor was it just.

Farrell, Single Tax, and the Labor Party

Paul Stenhouse MSC

Among the early single taxers who owed their start in politics to Farrell, and upon whom his influence rested long after his death, were Joseph Cook, Frank Cotton, William Morris Hughes, William Arthur Holman, George S. Beeby, Walter E Johnson, George Black, John Haynes, R. Hollis and William Affleck. As well, many of the free traders who voted with the Labor members, or were themselves elected on the Labor ticket, were so well-disposed to Labor because of the writings of Farrell and the efforts of other single taxers. The vagaries of their political careers never affected their friendship with Farrell.

All were foundation members of the Labor Party, as were numbers of other single taxers who, like Farrell, never entered parliament. Cook and Hughes were to become Prime Ministers of the Commonwealth; Walter Eliott Johnson would be a Cabinet Minister in the first Commonwealth Parliament; Holman would be N.S.W. Premier. Holman, Hughes, Beeby, Black and others abandoned their Single Tax positions sooner (like Holman, Black and Beeby) or later (like Hughes), but its influence upon them was profound. Hughes, Holman and Beeby had been won over to the Single Tax during Henry George's barnstorming tour in 1890, and Hughes admitted that it 'had an abiding influence on his thought, as on that of the Labor Party as a whole.'[1] Along with Cotton, Holman and Beeby, Hughes was a member of the Balmain Single Tax League and his first published work was a long letter to the Editor of the *Democrat*[2] when Farrell was editing it. It was largely due to Farrell's prompting 'that Hughes wrote the brilliant series of articles which appeared in the *Telegraph* presenting "The Case for Labour" in the early part of this century.[3] According to Farmer Whyte, that John Farrell and William Hughes should find themselves on common ground 'was in the natural order of things.'[4] Farrell, through his position on The *Daily Telegraph,* was to provide Hughes with a 'friend at court,'[5] long after Hughes had abandoned strict Single Tax ideas.

Holman, like Hughes a Londoner, had come to Australia in 1888, and had been introduced to politics through the Single Tax. He worked with Farrell on *The Daily Telegraph* when the latter was editor. On one occasion, young Holman (who would enter parliament that year, 1891) called to see Farrell and found him busy. Apologising for interrupting, Holman turned

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[1] Fitzhardinge, W.M. Hughes, p.26; see also the statements made by Hughes in the debates on land tax, 1910, 1911, in both Fitzhardinge and Farmer Whyte.

[2] December 5. 1891.

[3] Whyte, *Hughes*, p. 26.

[4] *Ibidem*., p. 27.

[5] Fitzhardinge, *W.M. Hughes*, p. 72.

to leave and the editor brushed aside his apologies, 'Don't worry,' he said, 'I was only writing a leader.'

When Holman said that he thought that would be a task of responsibility and strain. Farrell replied ambiguously, 'Not at all. If a man knows a lot about a subject, or nothing at all it makes no difference; it comes easy.'[6]

Of that distinguished group Farrell alone held himself aloof from the parliamentary arena. Despite his being offered the seat of Albury by the residents who regarded him as one of their own,[7] he was never seriously tempted. Not because he felt that 'nothing matters anyhow,' as George Black suggested,[8] but because he knew that his power lay in his pen, and not in public speaking; and also, we suspect, because it amused him to be an *Eminence Grise to the Bunyip Courts* of Parkes, Dibbs and Reid. The parliamentary Labor Party came into being in the euphoria of the final returns of July 4, 1891. Of the thirty-five Labor members returned, eighteen seemed to hold protectionist views, and one of these (Hutchinson) was at least sympathetic to the single tax, seventeen were free traders, and nine of these were single taxers.

As we come to consider the new party and its relationship to Farrell and the single taxers, some premises need to be established.

Firstly: The early New South Wales single taxers, including all those who formed a nucleus of Labor men in the 1891 parliament, were not opposed to trade unionism. All of the latter,[9] with the exception of Dr Hollis and George Black were unionists, and some (like Cotton) represented trade unions on the TLC.

Bede Nairn, in his *Civilising Capitalism*: *the Labor Movement in NSW 1870-1900,* deplores the fact that Frank Cotton's trade unionism was 'limited, ideologically flawed by Georgeism, and hence suspect on the (Trades and Labor) Council.'[10] This does less than justice to Cotton, and reflects a mentality stoutly protectionist. To charges in the *Australian Workman* (then edited by a young poet-friend of Farrell's, Edwin Brady) and by E.W. O'Sullivan, among others, that Single Tax was opposed by trade unionists in America, Farrell replied that in 1891 the biggest union organisation in the U.S. 'the Knights of Labor placed the Single Tax prominently on their platform, and declared protection to be a fraud.' Up to June 11, 1893, over 780 branches of U.S. unions had expressed adherence to the Single Tax

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[6] Nancy O'Dell, 'Breakfast in Bed.' ML MSS 1522/2 item 6, p.82.

[7] Tom Courtney, ML MSS 1522/2 item 7.

[8] Labor, vol. 1, p. 22.

[9] Joseph Cook, (miner); Frank Cotton, (shearer); C. J. Danahey, (engine fitter); J. L. Fegan (miner); A. Rae, (shearer).

[10] Nairn, *Civilising*, p. 41.

theory.[11] The Secretary of the TLC, J. Riddell, denounced by the *Workman* as not 'not a *bona fide* workingman,[12] was himself a single-taxer.

Secondly: Despite claims that 'none of the fiscal groups, or single taxers or socialists had a framework of rural support to compare with the bush auxiliaries' of the Trades and Labor Council,[13] we find that by September 17, 1891 the TLC had recognised eighteen Labor Electoral Leagues (LEL), of which fifteen were in the city, and three in the country, while in July 1890 there were seven city Single Tax Leagues, and twenty four country. The bush base of the Single Tax Leagues was its strength, and the Electoral Leagues set up by the TLC after the debacle of the 1890/1891 strikes were in many cases grafted onto an already existing Single Tax League body.

Thirdly: it is an oversimplification to claim that single taxers had been 'invited into the (Labor) Party,' but 'had to be kept in their place, fixed by their minority status, however useful their ideas.'[14] The single taxers welcomed proposals to set up a 'Labor Party'; they stumped round the country and city electorates, joined the Labor Electoral Leagues, and when their loyalty was tested in October 1891, we find that the seventeen who remained faithful to their pledges, (out of the original 35 members) included all nine of the single taxers.

It is not difficult to write history with hindsight. In the light of the eventual submission of the parliamentary party to the TLC, and the latter's being swallowed by the Australian Labor Federation (ALF) in 1894, it was only a question of time before single taxers and socialists were excluded from the party by the fervently protectionist trade unions which had been trying since 1891 to bring the independent Labor parliamentarians to heel. The demise of the single taxers spelled the end of a truly independent and democratic political arm of the working classes.

By 1896 the party was under the firm control of the AWU (W.G. Spence) and the LEL (F. Flowers) and the LEL was also asserting its authority over the ALF. During the negotiations that led up to the absorption of the TLC by the ALF, J. Woodcock commented that the 'deplorable condition of labor today,' was the result of unions' interfering in politics.[15]

Without the single-taxers and socialists, however, the Electoral Leagues would have been toothless tigers, if they could have come into being at all. The parliamentary Labor Party was less a creature of the trade union movement, than a product of idealistic unionists and non-unionists disillusioned with ineffectual industrial action.

What was to become the platform of the first Parliamentary Labor Party was drawn up by three trade unionists, of whom one, Frank Cotton, was a dedicated single taxer, while the

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[11] 'Henry George and the Labor Cause,' *Daily Telegraph*, August 26, 1893.

[12] Cf. Picard. *George*, p. 54.

[13] Nairn, *Civilising,* p. 48.

[14] *Ibidem*. p. 95.

[15] *Ibidem*. p. 121.

other two, T.J. Houghton and R. Boxall, were protectionists. Cotton was, at this time, assisting Farrell to edit the *Democrat*. The fact that almost all the planks of the single taxers were included among the 16 finally approved by the TLC is not merely a tribute to Cotton's powers of persuasion, but to the fact that many of the delegates were themselves convinced single-taxers. Even Houghton commented to the *Star* that some of the strongest protectionists on the Council voted for the land taxation plank, and added that the adoption of the plank 'points to the majority … (being) land taxers.'[16] Houghton, the protectionist, was actually defending Cotton and Labor unity against attacks in the *Star* which was the organ of Protection.

The results of the 1894 election proved Farrell right: whereas in 1891 Labor had gained 19 rural seats (4 city seats and 11 suburban seats, for a total of 34), in 1894 Labor could win only 10 rural seats (2 city seats and 3 suburban seats, for a total of 15). From being almost 25% of the house in 1891, Labor fell to a disappointing 12%.

This defeat of Labor was also a set-back for the single-taxers and socialists amongst the Labor supporters who held out high hopes for the party as a reforming body. Farrell, in the *Single Tax,*[17] found, nevertheless, hopeful signs in the 'presence in Parliament today of a large number of strong advocates of land value taxation'; in 'the leading place this principle occupies in the platform of organised labor'; and in 'the definite resistance offered to it by monopolists.' He felt, however, that there was reason to fear that tariff reform would be delayed, and that when land value taxation was finally imposed, it would be vitiated by exemptions.

The new Labor Party of fifteen members was made up mainly of unionists, except for Law, Griffith and Hughes. There had been only five Catholics (J. D. Fitzgerald, G. F. Hutchinson, A.J. Kelly, J. Worgan and J. Newton) in the 35-member party of 1891; there was none in the new party of 1894.

The first Catholic Labor politician of note was not elected until 1895. John Rowland Dacey, a protectionist, was the only Labor candidate in that election who defeated a Reid free trader. As an employer, and not a manual worker, and a Catholic with views much influenced by Pope Leo XIII's encyclical *Rerum Novarum*, Dacey showed that the parliamentary Labor Party was not the exclusive domain of Protestants and radical socialists.[18] Cook, Farrell's Lithgow protegé, was appointed Postmaster General by Reid, thereby becoming the first Labor Minister in any Australian government. This mollified the six single-taxers and three other free-traders among the non-solidarity Labor members but drew fire from the 'official' Labor members who ran their own candidate against Cook when he came up for ministerial re-election. This may, however, have been a blow more for protection, than against the non-solidarity member.

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[16] *AS*, May 19, 1891.

[17] August 20, 1894.

[18] See 'Dacey, John Rowland (1854-1912') by Bede Nairn, *Australian Dictionary of Biography,* MUP 1981, vol.8.

[Farrell was saddened by the loss of Cotton in the new parliament. But new single taxers outside the ranks of the Labor non-solidarity men, had arisen: James Ashton, Narrandera; William Affleck, Yass Plains; Dowell O'Reilly, Parramatta; G. W. Smailes, Granville; David Storey – of whom Farrell wrote that 'he has earned the gratitude of his adopted country by releasing Mr. (Edmund) Barton from the cares of public life,'[19] - Randwick; and W.H. Wilkes, Balmain North. The Rev. W. Hassel Hall who ran as the single-tax candidate for Albury lost the seat by only 60 votes. Farrell had reason to be pleased. Reid's basic electoral plank, land taxation, was also the first plank of Labor's platform. There were at least nine other members in parliament, of whom six were known as single-tax supporters, who as non-solidarity Labor free traders could be relied upon to support land reform which seemed at last, with the advent of the nine new single tax and free trade members, a legislative possibility.

However, with the decline in power of the TLC, the slow-down in growth and power of the unions, there was a growing number of non-union, democratic individuals who saw the Labor Party as a vehicle for reform; and as these included socialists who wanted to go much further in nationalising property than Farrell considered wise or necessary, the seeds of reaction were sown that would see the single-tax watered down.

In 1894 the Reid government introduced two Bills, the Land and Income Assessment Bill, and the Crown Lands Bill. The former proposed a tax of 6d in the pound on income, and of 1d on land value, with an exemption allowed in the case of the latter, of £475.[20]

Farrell deplored this linking of a tax on income with a tax on land, and implied that Reid had coupled the two quite distinct taxes in order to force the Labor members, single taxers and free traders to compromise themselves. In so doing the Premier showed, in Farrell's view, a good deal of the foolish wisdom of the serpent.

> *"To punish public benefactors like these by a form of taxation is similar to disrating a Wellington for his services at Waterloo, or fining Newton for his discoveries in astronomical science!"*[21]

Farrell held that, leaving aside burglary and swindling, and after all obstacles to genuine free exchange had been removed, what a man receives as wages or income approximates to the measure of his services to the community. The only ethically justifiable taxation for Farrell was that on the unimproved value of all land.

In insisting that all taxes other than those on land value be abolished, not assessed, he was not playing the paranoid fanatic. Rather he held that the base for his opinion was philosophically and ethically unassailable:

> *"Of all values, that of the land, apart from improvements, is manifestly the result of social energies. The ground rents levied by the Astors and the*

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[19] *The Single Tax,* July 20. 1894.

[20] Sic! Farmer Whyte, *Hughes*, p.65; but see Gollan, *Radical*, p. 191.

[21] 'Principle in Revenue Raising,' *The Single Tax,* December 20, 1894, p. 4.

Westminsters, do not represent services of equivalent value rendered by the Astors and Westminsters. They represent pure spoliation; just as much as do the tributes imposed by irresponsible privateers or the class taxes ground out of Armenian peasants by voluptuous Turkish pashas. To class in the same category an income derived from the monopoly value of land, and one earned by the production of, say, David Copperfield or Les Misérables, indicates either a gross incapacity to distinguish irreconcilable principles, or an intention to deceive the unthinking masses."[22]

As for the exemptions offered, Farrell asked rhetorically: 'Does the average politician ever think? Does he even read the newspapers? One cannot help a feeling of conviction either that he does neither, and is a born ass to boot, or that he does both in a more or less loose fashion, but is an arrant moral coward. How else could it happen that he clamours for 'exemption,' in connection with land value taxation, in the face of the self-evident fact that exemptions are unjust in principle, and must, moreover, lead to endless evasion, corruption and fraud?' Since it is the *value* (Farrell's emphasis) not the area, that is being assessed, it is impossible that anyone could be unjustly or harshly treated,' and all the transparent humbug masquerading in the thin disguise of solicitude for the 'poor selector and artisan,' indulged in by a certain class of politicians, has not even the semblance of a foundation to rest upon.

Farrell then offers a diagram showing how the tax of 1d in the pound will pan out:

Waste Land	Poor Artisan's House	Poor Selector's Farm	City Block	Rich Squattage
No Value	£30	£100	£20,000	£100,000
Tax Nil	Tax 2/6d	Tax 8/4d	Tax £83/6/-	Tax £416/13/-

To the objection that the artisan was paying too much tax, Farrell responds that the value may be reduced. If it is worth only 10/- he pays 1/2d; if the city or squattage lot is worth £1,000,000 then the tax will be two million times that on a lot worth 10/-.

"Where then is the shadow of an excuse for exempting any landowner, especially when it is remembered that under the Single Tax system all the taxes upon food, clothing, furniture, and all other labor products requisite for the needs and desires of the individual will be abolished altogether?"[23]

Clearly the two Bills would not satisfy the desires of the single taxers, but they were moves, however misguided and confused Farrell might consider them to be, down the right path. In supporting them the Labor Party proved that it was anxious to break the land monopolies,

[22] Ibidem, in fine.

[23] 'The Exemption Fallacy,' *The Single Tax,* December 20, 1894.

to establish a land tax, and in this, as well as in its perennial attempts to curb the power of the Legislative Council, it showed itself to have been formed more by the single taxers and the socialists than by the militant trade unions which, with the disappearance from the scene of the two former, took full credit for the result.]

Farrell's political writing continued right up till his death on January 8, 1904. He had long known the truth that fire-eating W. J. Ferguson, a leader of the 1892 Broken Hill Strike, expressed at a gathering in 1897 to farewell British Labor leader Ben Tillett: 'The man who comes forward to fight the workers' battles will find his bitterest opponents amongst the men he's fighting for.'[24]

For all that, Farrell never became cynical, was a friend to all, even to those who abandoned his ideals and left him for the 'Macquarie Street beargarden' and the £300 a year he had fought so hard to win for them. Whenever a history of the Single Tax Leagues comes to be written, or when a complete history of the Labor Party, the Trades Union Movement after 1887, or the economic history of Australia, is re-written, the writings of Farrell and his fellow single-taxers must be taken into account.

However much one may differ from Picard in his assessment of the reasons and methods underlying the policies of the single taxers, we can agree with him that '… the weight of historical evidence (seems) sufficient to substantiate the original thesis that the Single Taxers were among the forefront in the organisation of political Labor in New South Wales, and that their influence was great enough to secure for them, however briefly, control of the party executive, many of the branches, and a solid core of single tax parliamentarians able to force concessions from both the older parties.'[25]

The original Labor Party, a party of individuals, of idealists, came into being as a result of the influence and energies of radicals like Farrell and the single taxers; at a time when Caucus and Pledges were still to make their meaning plain, and presence felt.

The Single Tax failed to achieve its early promise because it was too slow a vehicle of reform. Moreover it was closely tied in with the fortunes of Free Trade which was misunderstood. Some single taxers appeared to be too emotional, and too radical: these frightened away many intellectuals and professional economists without whose backing no movement could survive for long.

A further and more serious problem was the alienation of many working class people who feared unlimited competition from outside the colony, or outside the country. These believed the propaganda of the establishment press which painted the single taxers as socialists and anarchists - as enemies of law and order, and ultimately, of the real interests of the workers.

Farrell's refusal to allow reactions of advertisers to dictate editorial policy (with its inevitable financially disastrous consequences), was paralleled by his stubborn idealism in

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[24] Quoted Nairn, *Civilising,* p. 167.

[25] Picard, *George*, p. 63.

the economic and social areas. If, despite years of attempting to educate them, his fellow workers couldn't (or wouldn't) think, then Farrell, regretfully, and without acrimony, was prepared to go it alone. With predictable results.

Writing in *The Sunday Sun and Guardian* in 1932, Tom Courtney, who was Farrell's fellow leader writer on *The Daily Telegraph* in the heady days from 1890 to 1903, found himself in the press gallery of the N.S.W. State parliament. After imagining the ghosts of Parkes, Barton, Reid, McGowen, Crick, O'Sullivan and the rest carrying on a spectral wrangle in an unintelligible babel, he looked up to the gallery and saw 'the ghost of John Farrell look(ing) down on them, sympathy tinged with disappointment in its big, grey, dreamy eyes. For John had all their enthusiasm as a social reconstructor, but believed that they were working on the wrong plan … as their enthusiasms vanish I can see their ghosts rising in various big positions in the world of materialistic conservatism. But Farrell never changed …'[26]

It was not he who was the 'Wobbler'[27]

Sydney Jephcott, writing of his beloved friend and mentor from his fastness in the Snowy Mountains, expressed better than most the fire and the light, the ephemeral and the perennial that was of the essence of Farrell:

"Old mate, the night o'ertook you early;
Death's sudden moon arose;
Beside the fire you lit I linger,
And watch your still repose.

The firelight lengthens through the forest,
The moonlit columns vast
That lift the dread dispeopled city
The all-abandoned Past.

Ah! Piteous light! All life's endeavour
A little space we see,
Immersed in Death's pervading Spirit
This moonlight memory."[28]

[26] 'A Ghosts' Gallery,' *Daily Telegraph*, December 4. 1932.

[27] 'Progress Notes,' *The Single Tax,* December 20, 1894. p. 5; also Scates, *Wobblers, passim.*

[28] My Sundowner and Other Poems, 1904 ed. p. xlvi.

Distributism and Henry George

Garrick Small

Henry George is a little-known name today - perhaps not unlike G.K. Chesterton, amongst the wider community - but in his time he exercised a great influence on a great many people in the area of economics.

So great was his influence that his funeral rivalled the size of Abraham Lincoln's, and may have been the largest in the history of the US to that date. George was not a professional economist, but a journalist and editor. In this he was perhaps comparable to William Cobbett in England and Chesterton himself. All three applied common sense to the world about them and all three came to conclusions that challenged the dominant thinking of that world.

George's interest in economics was perhaps stimulated by his personal experience of poverty which caused his first years his marriage in 1861 seeing him to having to beg for food on occasions. However, he soon found himself work with a newspaper as a printer, and within a very few years had revealed his skills as an insightful writer, and eventually editor and for a time newspaper owner. George did not leave his fondness for the poor behind him as he became successful, and his economics was largely focused on the problem of poverty as it existed amongst the most developed communities of his time.

The anomaly of crippling poverty existing within the most developed cities of the English speaking world gave rise to George's most famous book "*Progress and Poverty*" in which he examined the problem of modern poverty and suggested a remedy for its elimination. G.K. Chesterton was concerned with the same problem, and along with Hilaire Belloc even identified a similar causal factor, though their remedy differed substantially from George.

George was a humanist deist, and while his writings can often resemble Protestant acknowledgements of God within the workings of creation, he was deprived of the insights and intellectual depth of the genuine Christian tradition. This lacuna seems to have resulted in his system of economics having more of a debt to Adam Smith than to St. Thomas Aquinas, which remains as one of its weaknesses.

The strength of George's economics lies in his recognition that land competes with labour for the enjoyment of the benefits of economic production. Economic production is the result of the application of labour to raw materials for the provision of the products that serve the material needs of human society. Economic production is social because it is concerned with satisfying the material needs of society, not the individual. The fact that products are the result of labour being applied to raw materials means that there needs to be a distribution of the benefits of production between the factors that produce it. These are raw materials and the labour. In the lexicon of economics, the term "land" refers to anything that comes from nature. In addition to actual 'land' the factor of production called "land" includes the air, water, space, radio frequency bandwidth, minerals, wild animals and natural vegetation. Land for the economist is anything whose existence has not required the additional human agency.

This definition of land is key to understanding both the economics of Henry George and the distributism of Chesterton and Belloc. Both recognise that the treatment of land property is a major component in the economic problem. Simply put, land and labour compete for the proportion of the benefits of production that they enjoy. This is known as the problem of distributive justice: how are the benefits of production distributed between the owners of land and the owners of labour.

Expressed in this way, it is visibly a question of property rights: What is the nature and value of property rights in land and how do they compare to the nature and value of property rights in labour?

It turns out that property rights in labour are easily resolved from elementary metaphysics. A thing naturally belongs to its causes. Labour is the effect of humans applying themselves to some activity. The activity would not exist without the human cause, therefore it belongs to it, naturally. This is expressed in Holy Scripture in the various places where it is recognised that the labourer deserves his wages.

In a sense, Holy Scripture also asserts that the natural ownership of the land residing in its maker when Moses relays the words of God, "*The land is Mine*" (Leviticus 25:23) since God made the world and everything in it. The logic of this passage from Leviticus does not need revelation since it is really only a fact from natural theology. That is, from the existence of the world, which is definitely contingent, one must conclude an unmade maker who exists outside the created order and as its maker, is its owner. This natural logic is found in the religious traditions of customary peoples and non-Christian religions, such as Islam.

The communication of God's natural property rights in land to human owners is problematic. Indigenous people tend to overcome it by traditional beliefs that involve their creator spirits giving property rights to their people contingent on them upholding their laws and customs. Leviticus chapter 25 is an example of this type of conditional transfer, although it does have the distinction of involving the One True God.

A commonality between the customs that are found across the various places where this conditional transfer is found, including Leviticus 25, is that they all tend to include mechanisms for preventing the concentration of land property into the hands of a small sector of society for its disproportionate benefit at the expense of everyone else. More sobering is the tendency, articulated by Karl Zimmerman (1947) for societies, or even entire civilisations, to collapse when wealth, especially in land, concentrates disproportionately. The disordered concentration of wealth is the enemy of society.

The Catholic Church has a long tradition of understanding these mechanisms. It has made private property a key element in its moral tradition and a key to its social thought. Christian feudalism was a mechanism for ensuring this, because of its understanding that monarchs, although nominally the owners of all the land in their realms, had an obligation before God to use that wealth in some way for the good of the governed. Simply put, the Catholic monarch knew that if he did not use his land wealth appropriately, he would be guilty of theft with a very dismal prognosis for his eternal reward. This did not stop the feudal nobility for falling foul of corruption from time to time, but it did emphasise the importance for praying for Christian leaders.

The sixteenth century can be viewed partly as a battle over property rights. The German princes who patronised the rebellion of Martin Luther did so partly to get God of their backs, and so be left to enjoy their property riches without their obligations before God. Henry VIII did similar in England, though his object was more to buy, with economic favours, the support of his nobility for his murderous marital adventures. Max Weber correctly identified capitalism as originating from the emerging Protestant ethic because it freed the economically powerful from the moral obligation not to oppress the economically weak. Pope Benedict XVI (2009) reminded the world that justice is a gift that the strong give to the weak. He was echoing a tradition that runs through the Catholic Social Tradition.

Henry George was not aware of that tradition, growing up as he did in the Protestant environment of nineteenth century USA. He was aware however of the economic problems that attended the concentration of private property in land. Unlike Proudhon and Marx who concluded that private property itself was an evil, George distinguished that it was not private property *per se* that was the problem, but only the misuse of private property in land.

Furthermore, he was able to distinguish between ownership and use in a way that was consistent with the Catholic moral tradition. St. Thomas Aquinas (1981, II-II Q. 66)) had articulated a theory of property that permitted its private ownership, but insisted that in some way, its use must be common. In this he was only developing Aristotle (1981) who posited his dual theory of ownership: private ownership with common use, which has been the consistent position of the Catholic Church. His understanding property is therefore not a narrowly Catholic religious belief, but an objective conclusion regarding the natural moral law.

Capitalism involves a collection of violations of the natural law, which is why it can only flourish where Catholicism is weak. Conversely, as capitalism flourishes, Catholicism weakens. They are at war, and have been at war since the beginning. At our part of history, capitalism is strong and the Catholic Church is fast fading into irrelevance. Michael Hoffman (2010) has outlined the way that the erosion of the morality of usury was accompanied by the first introduction of modernism into the Catholic Church. Reading the experiences of St. Peter Canisius tends to confirm Hoffman's conclusions (Broderick, 1939).

All this is complicated by the difficulties today of even defining capitalism, and even more by the way that conservatives in the Church have gravitated to it as the polar opposite of socialism. So what is capitalism? To answer that we need to begin with Adam Smith's recognition that there are three fundamental factors of production, land, labour and capital. Land is everything that exists that has not had humans contribute to its production, labour is human effort in any of the ways humans apply their bodies and minds to producing useful things, and capital is that collection of human products that aid the productive effort. These three compete for their share of the value of the economic products they contribute to, in what is known as the problem of distributive justice.

If the problem of distributive justice is allowed to work itself out unaided, the allocations tend to go to the weaker factors of production at cost, while the strongest factor tends to take the residue. For example, if a product can be sold for $100, and the three factors have costs of $30 each, then the two weaker factors will be paid $30 and the strongest one will

take the remaining $40. Capitalism is that situation where capital takes the $40 and land and labour take $30 each.

In practice, the strongest factor tends to press the others down. What is the cost of labour? It is the cost to keep a human family alive and flourishing to be point it can reproduce itself over time. In Catholic Social Thought it is known as the living wage. However humans are resourceful creatures. If you cut their wages, they tend to work out ways of staying alive, and even how to continue having families, even though those families can become more wretched as wages are driven down further.

Karl Marx argued that it was capital that was the strongest factor in the competition for the big share. He was wrong because his definitions were wrong, but he was close. He made the mistake of thinking land and true capital, along with money, which is not actually capital at all, were all species of capital. He coined the term capitalism on that basis, and we have had it ever since. The Catholic Church avoided Marx's term for a long time, preferring the expression "liberalism" taking target on British liberalism, the opinion that happened to give us our Liberal Party in Australian politics. His solution was to demand the violent socialisation of all productive capital which is a remedy more toxic that the problem itself.

Henry George took a different view, which was somewhat closer to the mark. He recognised that it tended to be the factor of land that discretely took the lion's share of the distribution pie. His goal was to leave the business owners and labour to flourish, by removing the landlords' excessive economic power. He was not planning the forced confiscation of land ownership the way the socialists were, but he did want to stop landowners profiting excessively at the expense of the others engaged in the economy.

His strategy can be understood by using a little metaphysics. George accepted that private property was licit and should be protected, but separated land ownership from land value. He noted that the value of actually using the land was largely dependent on the surrounding human community. For example, a house at Palm Beach can easily cost $3,000,000, but a similar house at Narooma might only cost $450,000 and one at Eden even less. The houses are all the same, the beaches are all the same, what is different is that one is on the edge of the 4,500,000 people that comprise the most important city in the country.

Now for the metaphysics. A thing naturally belongs to the causes that contribute to it. A worker has a natural ownership of his work, which he then sells to his employer for his wages. In the case of the price of the land at Palm Beach, its cause is the community called Sydney. Without that cause the land would be worth what is at Eden, or less, because even Eden has a town wrapped about every house in it. A house on some desolate part of the remote Australian coastline, say the north of Western Australia, or along the Great Australian Bite, would be worth hardly more than the building materials in it, and often somewhat less.

George may not have had the benefit of St. Thomas's metaphysics, but he had the common sense to guess its implications. If the community was the cause, and therefore the natural owner of land value, as distinct to the land itself, then the community had natural ownership of the value that it had imparted to the land. Furthermore, in a very real sense, if

the community caused the land value, but it was denied its natural rights to it, then the result was theft.

This is quite distinct from the ownership of the land itself, the usefulness of a block of land to support a house or a farm. On the other hand, the community has certain costs associated with it that must be financed in some way. The common way to do that is through taxation, but experience has shown that taxation is never popular, and often results in weird and complex inequities. George's solution to those two puzzles was almost too obvious. If the community was the natural owner of the land value, and it needed money to fund community services, then collecting the land value would give to the community what naturally belongs to it, and pays for community services with no need for taxation.

All this resulted in Henry George's remedy for the economic injustices found in Western societies. This is sometimes referred to as "The Single Tax". The value of land can be expressed in terms of its rental value, and that rental stream can replace most, if not all, of the other forms of taxation. The transition to a Georgist economy is tricky but we will consider that separately. For the present, I would like us to imagine what living in a Georgist economy would look like.

The ACT was actually set up to be a Georgist economy. For political reasons it never quite got working properly and from about 1970 onwards was in practice hardly different to any other city (Brennan, 1971). However, most people know that in Canberra you rent your land and pay for the house that you build on it. If that happened in Sydney, the average house, that currently costs about $950,000, would only cost the value of the house itself, say, about $250,000. Alternatively, the average rent in Sydney is about $28,000 pa which suggests an average rent on the land of about $21,000.

If Sydney was managed the way Canberra was set up to run, then that average house would cost only $250,000 for the landlord to buy and of his rental income, $21,000 would go in land rent to the government. A family renting that house would still be paying the $28,000pa in rent, but they would not need to pay income tax or GST, or the other minor taxes. If their household income was $80,000, they would be saving about $17,500 in income tax and at least a further $3,000 in GST. The overall income to the government is comparable, but the spending power of that family is about $20,000 higher. That higher wage will improve their standard of living and stimulate many parts of the local economy.

Better still, if that family wanted to use its extra income to buy their own home, they would only need to save the price of the house itself, about $250,000 in the example, and their home would be theirs. That could take less years to save with their extra $20,000 pa than most Sydney families spend paying off their mortgages.

There are other advantages as well. In Georgist economies land tends to be used more efficiently and property prices tend to stay lower. Because there is less incentive to invest in speculative land investments, investment tends to be directed towards employment generating business applications and the higher disposable income across the community stimulates local production and business.

Conversely, there are powerful shortcomings in a Georgist world that have tended to make it unpalatable. The most obvious, at least for existing property owners, is the transition into the Georgist system. If I own a house in Sydney today worth a million dollars, I will not enjoy seeing its value fall to a quarter of that, especially if I also have to pay the government its ground rent as well.

Most Australians dream of owning their own home, but even more, of making money by merely owning it. In a Georgist single tax world you make money by working, or by running productive businesses. We have become used to believing we deserve reaping in the capital gain on our house, even though we do nothing to cause it. When I was first looking at real estate, back in the mid-1970s, a house in my suburb cost about $30,000. Today that same house, perhaps with a renovated bathroom and kitchen, is worth a million dollars and costs a bigger multiple of the average wage.

I like that, but it has made living in that suburb a lot harder for my children. In a subtle but very real way I have benefited at the expense of my children. A subtle exploitation of the next generation, but a very real one. Most people do not see that, and they definitely would not vote to see it stopped, especially if it stopped suddenly.

In addition, most people who get moderately wealthy by hard work and running productive businesses tend to put their spare wealth into real estate where it will work very hard for them, without them having to work nearly so hard themselves. Those near the top of that pile are also willing to put a lot of money into keeping that nice labour-free means of making money working for them. That money can be very effective in political activities designed to stop Georgist innovations.

Mason Gaffney (1994) also explored how that money was responsible for direction of the discipline of economics over the last century, to the point most people studying economics in school or university learn a system of economic theory designed to keep a Georgist land system well away from the community's awareness.

It has combined to move us further from Georgist principles than towards them, and property has become especially unaffordable over the last half century. This is not new, the last five centuries can been viewed as a massive trend away from the Georgist concept of land and public funding.

Historically, medieval feudalism operated implicitly as a Georgist land system. The king earned the rent of the kingdom and used it to fund everything from the army to fixing the roads. Much of the land the king did not own often earned rent for the monasteries, and they supplied education, a lot of health care and even support of the poor. The reformation was a strategy for undoing all that, and it has been very successful.

It is not the purpose here to try to cover all the technicalities, but merely to introduce the general concepts. Georgism is meant to protect private business and in fact it supports it. In this it differs massively from socialism. In its early days it was confused with socialism, which was not helpful. Even Pope Leo XIII (1891) appeared to take aim at it as part of his rejection of socialism in his encyclical *Rerum Novarum*, but it is apparent he was not well briefed on the necessary distinctions. It drew out one of the curiosities of capitalism, in that capitalism

likes to hide its rapacious heart behind the defence of private enterprise. Genuine private enterprise is a good, and necessary part of a just and prosperous economy, but only so far as its participants understand the moral law as it pertains to economic matters. In the thirteenth century most people understood those moral principles, even the people who cheated. They knew that they either went to confession or they would go to hell. Today, almost no one knows them, including Catholics. We even have a battalion of well-funded Catholics promoting the idea that capitalism is the will of God, something Pope Pius XI warned about in the strongest terms.

That group in the Church does not like Georgism at all, about as much as it does not like Chesterton's distributism. With regard to land, Distributism achieves much of what a Georgist system would achieve. To relate the two, a distributist land system would see widely distributed private property, but it would still benefit from a Georgist overlay of land value taxation. The single tax actually encourages distributism, since rental investment does not earn the unearned increment caused by the community. However, Henry George's chief insight and strength concerned the land problem, which he mastered admirably, but there are other aspects of the economy that can be problematic. By contrast, Chesterton also recognised those other areas of the economy that needed an active moral restraint, such as in the areas of the operations of businesses, especially shops.

Henry George ventured into these areas of the economy, especially in his latter work, the Science of Political Economy (George, 1981). However, while it tried to grapple with the flaws in other parts of the economy, it was not nearly as cohesive or persuasive as it needed to be. This may have been due to George's dependence on Adam Smith.

The twentieth century began with strong support for Henry George. However, the late twentieth century has seen a progressive diminution of interest in him. The twentieth century did see considerable interest in various attempts to correct the general economic dysfunction identified by Pope Leo XIII. Apart from Chesterton's distributism and George's solution to the land problem there was also the movement known as Social Credit originated by the British engineer Major C. H. Douglas. Douglas focused on the problem of money and indirectly on the problem of usury.

All three had strong followings, and this should be no surprise, especially when one notes that Chesterton's distributism, despite being concerned with property, tended to be associated in practice with promoting small business and the question of trade. As a set, each tended to focus on one of the three major economic moral issues considered by St. Thomas Aquinas (1981, Property II-II Q.66, Price II-II Q. 77, Usury II-II Q. 78, Liberality II-II 117)). As the century progressed the idea that economics has no moral content has taken hold. This has been obscured by the way that scientific and technological advances have enabled the general society to progress, even while economic dysfunction has been creeping deeper. In the last fifty years especially, only a very small part of the economic benefits from scientific and technological advances have actually reach the common man. We may have the latest technology in our pockets, but we pay far too much to get it there.

Although Chesterton and Belloc where perhaps the most rounded of the three systems, distributism was perhaps the least developed in terms of theoretical complexity and depth. This is not to say that distributism has not had major impacts and successes, such as the

Mondragon industries or the cooperative movement, but they have tended to be isolated or short lived (Mathews, 1999, 2017). Of the three, Georgism is perhaps the most developed and most amenable to inclusion into modern economies. It suits integration into public policy and its mechanics are easily accommodated within the educational and governmental institutions.

If a Georgist land system was implemented, it is possible that attention would be turned towards other means of profiting without effort, so eventually the areas of trade and money would also need to be controlled. Of these, money is the most troublesome, but that must be left as a topic for another day. Overall it illustrates how the Catholic intellectual tradition continues to provide the framework for most fundamental aspects of all solutions to the economic problem.

That tradition has been strong and civilising. It means that when we look out on the economic instabilities and inequities that surround us, we cannot be too smug. Yes, the world is in an economic mess, and property prices in Australia are getting inhuman, and yes, the Catholic Church has the answers, even if it took the deist Henry George to work out a very practical way to solve it in a quasi-Catholic manner. But the reason for the chaos and the unpopularity of common sense in the market place is the failure of the Church to hold its own moral ground and teach it. St. Thomas holds the keys, but hardly anyone teaches him anymore, so despite the good will of many emerging young minds, their solutions are too often limited, or worse. Most are being shipwrecked on one or other of the twin shipwrecks of faith, often before they even start their professional careers. If the west is to survive this must be reversed.

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Henry George and Private Property

John Young

A letter to *G K'S Weekly* (April 11, 1925) urged the land philosophy of Henry George as a measure that should be adopted by Distributism. The editorial response was: "We do not agree with the nationalisation of the land."

That response reveals a tragic misinterpretation of Henry George's position, leading some Catholic social thinkers to dismiss George as a land socialist, and therefore in conflict with Catholic social teaching which insists on the right to private property in land.

I regard the error as tragic because George has so much to offer in relation to the development of Catholic social teaching. He saw the basic economic questions as fundamentally ethical questions and as part of the natural moral law.

He has been called "single tax George", but there is far more to his economic analysis than that. It deals with the relation between capital and labour, the question of free trade, the meaning of economic value, and much else.

For George, the whole economic order is for the sake of the person, who has higher cultural and religious aspirations. His most famous book, *Progress and Poverty*, even has a chapter arguing for the immortality of the human soul! And it has four chapters refuting Malthusianism.

But did he believe in the nationalisation of land? Certainly not. As he explains: "We propose leaving land in the private possession of individuals, with full liberty on their part to give, sell, or bequeath it, simply to levy on it for public uses a tax that shall equal the annual value of the land itself, irrespective of the use made of it or the improvements on it" (*The Condition of Labour,* p. 9).

In other words, the government would take a levy based on the unimproved value of land. If I owned land worth at present $500,000 without improvements, the government would take an annual amount that would reduce the sale price to a much lower figure - say $30,000.

The government therefore would be taking revenue arising from the natural advantages of the land, chiefly those due to the social amenities provided by society. This would be instead of taxing labour and investment, as at present.

Under our current system landowners can make a fortune from natural and social benefits attaching to their land, and from land monopolies, while contributing nothing. This is very similar to usury. George's remedy, I maintain, is essential if Distributism is to be fully implemented. Otherwise we have the present situation where high land prices exclude so

many people from land ownership, or impose a burden of 30 years or more of tribute to the banks.

George's position is not land socialism, but a way of ensuring the widespread private ownership of land.

The view that his "remedy" was land socialism arose partly because of his misleading terminology. He had a slogan which he kept repeating: "Land should not be private property; it should be common property." He even spoke of land nationalisation, when the context shows that he really meant the taking of land revenue by the government.

Despite the misleading terminology, his proposal should be clear to anyone reading his works. And it is necessary that it be implemented if the major distortions arising from high land prices are to be overcome.

The reform would need to be introduced gradually, with an increasing levy on the unimproved value of land. This used to be a widespread practice in Australia, with local government basing rates on land value apart from improvements. The Australian Labor Party had this measure as a plank in its platform, but later abandoned it, an abandonment which Clyde Cameron deplored in a talk entitled "How Labor Lost Its Way".

This measure is an essential element in the full implementation of Distributism, for in this way alone can land monopolies be overcome and exorbitant land prices be abolished.

Flandria Village: A Distributist Estate in Argentina

Karl Schmude

In 2006, I had occasion to speak at a Chesterton Conference in the capital of Argentina, Buenos Aires. There were many remarkable things about that conference, not least that it showed me the tremendous following which Chesterton has in South America – not only in Argentina but in other places on the continent such as Chile and Brazil.

One of the conference speakers was Jorge Steverlynk, and I later accompanied him to his home – which turned out to be a very large estate (over 2,000 acres) on the outskirts of the city, close to Lujan where Argentina's most popular Marian shrine is to be found. (The day after I visited Lujan, over one million pilgrims converged on the great basilica of the city in an annual act of devotion.)

Jorge Steverlynk is one of 16 children of a Belgian migrant, Jules Steverlynk, who came to Argentina in the late 1930s, and established this estate. Jules decided to develop the entire property in harmony with Catholic social principles, and he was greatly inspired by Pope Leo XIII's *Rerum Novarum*. He built up a cotton plantation and mill called Flandria (named, I presume, after the principality of Flanders in Belgium), and he created a private company to run it.

But it was a company with a very distinct difference. While it employed thousands of workers and offered extraordinary working conditions – for example, it paid double the average wage at the time – it fostered a very strong sense of ownership and personal responsibility among its workers. In fact, they were referred to as 'partners' rather than 'employees', and they played a crucial role in forming the vast institutional base which underpinned the life of the community on the estate.

The owners of the estate made available to all workers – on very favourable financial terms - individual plots of land (each of up to 800 square metres) for the building and ownership of houses, allowing sufficient space for both ordinary gardens and kitchen gardens as well as various yards. It financed over 1,500 houses in this way to its workers. A cooperative body was set up to award various honours and prizes – for the best gardens – so there was the right blend of *competition* as well as *collaboration*!

The balance between providing benefits to employees and, at the same time, encouraging a sense of personal responsibility was shown in various ways. Jules Steverlynk established schools on the estate, and provided university scholarships for workers' families. He created a hospital as well, and a range of other health centres which were independently administered by the workers. This provided the necessary sense of security (and what I recall Jorge Steverlynk, at the Buenos Aires conference, calling 'psychic tranquillity') – that is, employees knowing that their families' health needs were covered.

There were also established an array of recreational facilities – covering both cultural and sporting interests. More than 40 such institutions arose, ranging from a pigeon training club [shades of Bill Lawry!] to a mobile library, all of them administered by the partners on the estate. Jules Steverlynk would financially match the contributions of the workers, giving a further incentive to any of these initiatives and doubling their effectiveness.

He gave prime attention to the religious life of the community as well, building four churches and chapels on the estate, and paying the salaries of priests who came to teach religion in the schools there. So a balance was achieved between spiritual and physical aspects of the community's life.

Jules's great emphasis was on the family, and he encouraged marriages and children – providing a *family* wage (rather than an individual one), and giving subsidies to cover marriage expenses (including honeymoon costs!) as well as clothing and other supplies for newborn babies.

The estate gave strong attention, of course, to the economic life of the community. To improve the standard of living among the partners, it financed a workers' cooperative, which bought food and other products in bulk and sold these discounted goods at modest prices among the partners. It also assisted workers with transport subsidies, buying bikes on a large scale and reselling them cheaply to workers (who could pay for them over time without interest being charged).

Maintaining the infrastructure of the estate was also addressed, with a company being created and managed by the employees for the purpose of maintaining the streets and street lights, using tractors and machinery donated by the company.

Thus Jules Steverlynk established what became known as Flandria Village. One of its most notable features was a musical band formed by the staff. It was named 'Rerum Novarum' after Pope Leo's encyclical. In 2002, a highly acclaimed movie, entitled 'Rerum Novarum', was made in Argentina, featuring the former workers of the Flandria cotton plant who, now in their 80s, continued to play in the band long after the plant itself has closed. The film caused some controversy in Argentina, as it seemed to capture the sense of social and economic trauma which was gripping the country at that time, and evoked nostalgia for a better past.

Jules Steverlynk was known affectionately by his staff as 'Don Julio', and he became a famous figure in Argentina over the years. In the 1960s, the King of Belgium, for example, visited Flandria, and later the Pope (Paul VI) as well.

Regrettably, the estate doesn't exist in this form now. The State increasingly sought to control the private arrangements and conditions which applied communally at Flandria, and no doubt the passing of 'Don Julio' took away a key figure and leader, not only in a practical sense, obviously, but also, I suspect, symbolically.

Yet the distributist experiment that it was remains of great interest – and, one hopes, a beacon of hope and inspiration for all those who see the value of distributed ownership and communal participation as the foundation of a free society.

Conference Presenters

Garrick Small is a property economist with several decades of experience as an academic and consultant property economist. He has taught at the University of Technology Sydney (UTS), the University of New South Wales, the University of Western Sydney and the University of the South Pacific (Fiji), and currently serves as an Associate Professor at Central Queensland University (CQU) Rockhampton. He has published widely on Catholic Social Thought, not only in Australia but in Europe and the United States, and has spoken at previous Australian Chesterton conferences at Campion College - in 2011 and 2015.

Karl Schmude is President of the Australian Chesterton Society and editor of its quarterly newsletter, *The Defendant*. He is the author of various biographical booklets, including one in 1974 on Chesterton (re-published in London in 2008) and on the historian Christopher Dawson, and he has engaged in freelance writing and speaking for more than 50 years, both in Australia and internationally. He served for many years as University Librarian at the University of New England in Armidale NSW. Most recently he was the co-founder of Australia's first liberal arts college, Campion College in Sydney, where the Australian Chesterton Society holds its annual conferences.

John Young is a philosopher who has written such books as Reasoning Things Out (1982) and The Natural Economy (1997). He has taught courses in philosophy in both Sydney and Melbourne, and contributed to journals and newspapers in Australia and overseas.

Paul Stenhouse MSC, who died only a month after presenting his paper at the 2019 Conference, was an Australian priest of the Missionaries of the Sacred Heart. He was for more than 50 years the Editor of *Annals Australasia*, Australia's oldest Catholic journal. An accomplished journalist in religion and politics, particularly on the Middle East where he served at times as a foreign correspondent, he was a notable scholar on Semitic languages and cultures, earning the moniker, "Priest of the Arabian Knights", because of his ability to read the Arabian Knights in the original language. He wrote a biography of the subject of his 2019 Chesterton Conference paper, John Farrell, a largely overlooked Australian poet, journalist and social reformer in the 19th century; and, most recently, he brought together various articles on Islam, which were originally published in *Annals*, into a book, *Islam: Context and Complexity* (North Melbourne: Australian Scholarly Publishing, 2019).