

Chapter 13

Were they socialists?

*Socialism is workable only in heaven where it isn't needed,
and in hell where they've got it.*

Cecil Palmer.

LEO TOLSTOY and Henry George were in perfect accord about the first step to be taken if economic justice is to be restored to the world; and, after George's untimely death in 1897, we have seen Tolstoy in touch with George's disciples in Australia and England. In the first of these two countries, some success was achieved, during Tolstoy's lifetime, in applying the principle of land value taxation in a limited measure to the raising of both national and local revenue. In England, however, where many Liberal M.P.s were strongly in favour of it, an untrustworthy Cabinet and an obstinate opposition delayed, modified and, on the outbreak of the First World War, altogether prevented their proposals from being put into practice.

It so happened that Aylmer Maude was able to give Tolstoy an eye-witness account of events in England at the turn of the century:

He asked me once, when I had been to England for a few weeks, how the single-tax movement was getting on.

I said that I thought it was a small movement not making much way.

'How is that, when the question is one of such enormous importance?'

I said I thought that the great majority of Englishmen were too

conservative to attend to it, and the Socialists and other advanced parties had gone past Henry George and recognised interest, and private property in the means of production, as being also wrong.

‘That is a pity’, said Tolstoy, ‘If the Conservatives are too conservative to attend to it, and the advanced parties have gone past it, who is to do this work that so urgently needs doing?’¹

If Maude had been speaking to Tolstoy after, instead of before, 1906, the year of the Liberal landslide victory at a General Election, he might have been a little more optimistic about the prospects of the single tax in England, though ultimately his pessimism was justified. It was socialism that came out on top in the end, in a mild and temporary form in England, but in an extreme, a violent, and a somewhat longer-lasting form in Russia.

Neither Tolstoy nor George was ever to achieve political office. Tolstoy had made up his mind in 1857 never to try to do any such thing; and George had died in 1897 (Ch.12). The views of both men must therefore be judged, not on any tangible results they achieved personally in the world of politics, but on what they wrote and said. Their opinions on the single tax should already be abundantly clear; but what they thought about socialism needs also to be examined, because they were both later to be accused of being socialists.

Socialism’ is a word that is apt, in general parlance, to be loosely used. It can refer to municipally-owned local enterprises for the supply of water, gas, electricity, transport and so on, which in the past have been found harmless and useful enough. At the other extreme, it can mean state ownership of every enterprise of whatever nature, which can present dangers and difficulties. We need, therefore, to be clear at the outset about the sense in which Tolstoy and George understood it. A definition contemporary with Tolstoy runs as follows:

Socialism is that policy or theory which aims at securing *by the action of the central democratic authority* a better distribution, and in due subordination thereunto a better production, of

wealth than now prevails.²

The nature of the action is not yet certain, but becomes apparent later on:

... A great combination approaches monopoly, and a far-reaching, wide-stretching monopoly (say of the carrying trade) might mean a public danger. Should we listen to our friends the socialists and avert the danger by making the state the monopolist?

Our author, James Bonar of Ottawa, appears willing to accept the answer 'Yes'. So would Henry George:

The primary purpose and end of government being to secure the natural rights and equal liberty of each, all businesses that involve monopoly are within the necessary province of governmental regulation, and businesses that are in their nature complete monopolies become properly functions of the state.³

George would have had in mind here such enterprises as railways and postal and telegraph services. The reason for the radical difference between George's estimate and Tolstoy's of the nature of the State could be that, whereas Tolstoy thought mainly of his own corrupt and long-standing autocratic régime, George was a citizen of the United States of America, writing not much more than a hundred years later than the Declaration of Independence. He was conscious of corruption indeed, but had some residual faith in the processes of representative government.

James Bonar might have tolerated state ownership of monopolies; but that is evidently where he would have drawn the line:

If the ideal of state socialism be viewed in an equally critical spirit, many of the objections brought by the moderate anarchists are seen to have their weight. A strong central government to which all power was given over all the chief industries in the country would, they say, be contrary to liberty. Our leaders would be too

likely to become again our masters. Supervision would become irksome. Great powers would become a temptation to abuse of power.

Events in the Soviet Union were to confirm his judgment.

Tolstoy's objections to socialism were rather more broadly based. In the first place, it would mean more involvement of the State rather than less; so, as was to be expected, he would have rejected it for this reason alone, regardless of what it consisted of in itself:

Not to mention past attempts to abolish Governments by violence, according to the Socialist theory the coming abolition of the rule of the capitalists, i.e. the communalisation of the means of production, and the new economic order of society, is also to be instituted by a fresh organisation of violence, and will have to be maintained by the same means. So that attempts to abolish violence by violence, neither have in the past, nor, evidently, can in the future, emancipate people from violence, nor, consequently, from slavery.⁴

Tolstoy's foresightedness is evident here. What was Josef Stalin's reaction when he encountered resistance from the kulaks, the successors of the rich peasants who benefited from the post-1861 land purchases, to the new plan to set up collective farms? He had them killed.

But Tolstoy had other objections to socialism. In a chapter in the same work, entitled 'Bankruptcy of the socialist ideal', he argued along these lines. Even if it were to be accepted that town factories were better than village handicrafts (it would seem that by this time he had relaxed his ideal of self-sufficiency, and approved of villages' specialising in certain handicrafts, and exchanging among themselves), there would remain the difficulty that, when the 'means of production' were in the hands of the workers themselves, nobody would know what articles would have to be produced, nor in what quantities. Some of these articles indeed may be considered by some people as useful and necessary, and by others as harmful. Why then

should anybody be forced to make them? 'How', he asked, 'in apportioning the work, are people to be induced to agree?' He also thought that the demand for articles of consumption (i.e. wealth) would be limitless: that everybody would want to enjoy all the facilities then enjoyed by the very rich. What a pity that he never had an opportunity to meet, as well as the son, the elder Henry George, who considered, on the contrary, that, if everybody were sure of an adequate material return for labour, nobody would wish to work longer or harder to gain more, but would devote any extra time and energy to pursuits of a higher order. A discussion between them, with Maude there to record it, would have been interesting and enlightening.

On George's side, it could have been pointed out that, when white settlers in Africa wanted to make sure of a regular supply of native labour, they had to create, not only artificial wants in the shape of European clothes, food and drink, but artificial brute necessities in the shape of hut or poll taxes, which had to be paid in European money. An even stronger means of compulsion was the seizure of their land, to prevent their working on their own account. Left to themselves, the natives were liable to work for very short periods of time, and to spend the rest in singing and dancing, or other communal activities.

Henry George, unlike Tolstoy, always assumed the continuance of the State, and admitted that any natural monopoly should be a state monopoly. This accords well with his conception of society as an organic growth in which the free action of the individual is all-important. Any monopoly restricts individual choice; and a private one permits an artificial increase of costs at the general expense. A public one, on the other hand, could at least be subject to public control. Further than this, however, he would not go along the road to socialism, unless it were to come about spontaneously:

The idea of socialism is grand and noble; and it is, I am convinced, possible of realisation, but such a state of society cannot be manufactured – it must grow. Society is an organism, not a machine. It can only live by the individual life of its parts. And in the free and natural development of all the parts will be secured

the harmony of the whole.⁵

He was to develop this theme more fully in his published reply to the papal encyclical *Rerum Novarum* (*Concerning Revolution*), which, although it did not refer specifically either to him personally or to his teachings, would probably be interpreted as an attack on them.

After his usual fashion, before criticising an idea adversely, he took care at the outset to define his opponents' position, to state their case for them; so that there should be no question of what he was going to write about. People attacking a case of his were seldom so scrupulous:

Socialism in all its phases looks on the evils of our civilisation as springing from the inadequacy or inharmony of natural relations, which must be artificially organised or improved. In its idea there devolves on the State the necessity of intelligently organising the industrial relations of men, the construction as it were of a great machine, whose complicated parts shall properly work together under the direction of human intelligence.⁶

This task, however, in his view and in that of his supporters, was impossible. A mechanical human society is beyond our power to devise:

We see in the natural, social and industrial laws such a harmony as we see in the adjustments of the human body, and that as far transcends the power of man's intelligence to order and direct as it is beyond man's intelligence to order and direct the vital movements of his frame.⁷

Socialists, he considered, were liable to rush into action and apply remedies before they had given adequate thought to what was wrong:

But it seems to us the vice of Socialism in all its degrees is its want of radicalism, of going to the root ... It assumes that the tendency of wages to a minimum is the natural law, and seeks to abolish

wages; it assumes that the natural result of competition is to grind down workers, and seeks to abolish competition by restrictions, prohibitions, and extensions of governing power. Thus mistaking effects for causes, and childishly blaming the stone for hitting it, it wastes strength in striving for remedies that when not worse are futile. Associated though it is in many ways with democratic aspiration, yet its essence is the same delusion to which the Children of Israel yielded when, against the protest of their prophet, they insisted on a king; the delusion that has everywhere corrupted democracies and enthroned monarchs – that power over the people can be used for the benefit of the people; that there may be devised machinery that through human agencies will secure for the management of individual affairs more wisdom and more virtue than the people themselves possess.⁸

One would imagine that there could be no two ways of thinking about this matter. Leo Tolstoy and Henry George were not socialists in the generally accepted sense of the word; and Tolstoy, when he became converted to the idea of the single tax, was in no way committing himself to the socialist cause. Neither of them was to become the prophet of the coming revolution, because, apart from any other consideration, they both believed in the slow evolution of human morals and ideas, rather than in any dramatic change.

The man who did in fact become the prophet of the revolution, and of the dictatorship of the proletariat, was Karl Marx. It is a curious reflection on the dissemination of ideas that although, as George remarked, most socialists suffer from a want of radicalism, Marx himself, unlike the majority of his present-day supporters, distinguished carefully between land and capital, and saw clearly that monopoly of the former led to monopoly of the latter:

Labour is not the source of all wealth. Nature is just as much the source of use-values (and of such, to be sure, is material wealth composed) as is labour, which itself is but the expression of natural forces, of human labour power. ... In the society of today, the means of labour monopolized by the landed proprietors,

monopoly of landed property is even the basis of monopoly of capital, and by the capitalists.⁹

Nor would he have anything to do with the theory, advanced only in defence of private property in land, that purchase in good faith with honestly earned money is sufficient to secure a valid property right:

The fact that capitalized ground-rent represents itself as the price or value of land, so that the earth is bought and sold like any other commodity, serves to some apologists as justification of private property in land, seeing that the buyer pays an equivalent for it, the same as he does for other commodities, and that the major portion of property in land has changed hands in this way. The same reason would in that case serve also to justify slavery, since the return from the labour of the slave, whom the slaveholder has bought, represents merely the interest on the capital invested in this purchase. To derive from the sale and purchase of ground-rent a justification of its existence signifies to justify its existence by its existence.¹⁰

Marx had even, thirty-two years before the publication of Henry George's *Progress and Poverty*, advanced the proposition that all rent should be used for revenue. The first prescription of the *Communist Manifesto* was this:

Abolition of property in land and application of all rents of land to public purposes.¹¹

It would, however, seem from the second prescription, 'a heavy progressive or graduated income tax', that the idea had not occurred to him that the rent of land *alone* would be sufficient for public purposes. Yet a consideration of the implications of Ricardo's law of rent (Ch.11) reveals that taxation as commonly levied cannot possibly bring wages and interest *below* what they would be on the least productive land in use. It only drives labour and capital to operate on land of a higher level of productivity, or, in other words, it encroaches on what would

otherwise be rent. Taxation as commonly levied is therefore liable already to be deducted from rent, which would in itself be more than enough for public revenue. Henry George did not state all this explicitly, but seems to have trusted his readers to work it out for themselves.

Unfortunately, the first proposition we have quoted found no place in the first volume of *Das Kapital*, published in 1867, on which Lenin and his fellow revolutionaries based their policies. The continental socialists, like their English counterparts, had 'gone past' – not 'Henry George'; for *Progress and Poverty* had not yet been written – but land value taxation as contemplated by Marx, and 'recognised interest, and private property in the means of production, as being also wrong'. It would have been better for the Union of Soviet Socialist Republics, and later for other countries, if they had resolved to follow Tolstoy and to give the single tax a chance before proceeding to more extreme, but in the end less effective, measures that took no account of the benign as well of the malign potential of economic rent in the life of a community.