

Guarding the World's Greatest Treasure

By MICHAEL J. BERNSTEIN

Socialism and voluntary cooperation are not the synonyms some superficial readers of Henry George take them to be. "Stripped of its emotional content and reduced to the simplest economic terms, socialism has always meant merely government ownership (and control) of the means of production . . . The rest is poetry and propaganda. The question of distribution has always been considered a secondary matter by the various socialists after the first and most important task of socialization had been carried out." This is not the opinion of Georgists and capitalists only—it is a statement by one of the best-informed living students of the collectivist movement, Max Nomad. And despite the glowing pictures they paint of the contemporary Soviet paradise, it is the belief of the Lamonts, the Webbs, the Stracheys, and the rest of the semi-official Stalinist publicity men.

Socialists have always believed that once all the means of production (land and capital) had been socialized, the representatives of the new state, out of their deep benevolence, would manage somehow to arrange a satisfactory scheme of distribution; just how, was a question which was contemptuously dismissed with that retort so crushing to the timid—"Do you want me to give you a blue-print of the future?"

Henry George has been classified by the undiscerning as a communist, socialist, agrarian socialist and perhaps every other variety of collectivist. Despite isolated utterances about the necessity for the socialization of certain natural monopolies, an intelligent reading of George's books indicates conclusively that he believed in the automatic operations of the free market. Commerce and trade, (so repugnant to the socialist), were the natural activities of peaceful and progressive men. The widest competition, (the anathema of the collectivists) based on equal

natural opportunities for all was to him not merely the surest symptom of economic health but the primary factor in the growth of civilization, the cause for the elimination of violence. Examples of this point-of-view fill every one of his books—they are so numerous that quotation is surely unnecessary.

But let it not be thought that because Henry George advocated state ownership and operation of certain monopolies, he was not aware of the repulsiveness of the planned society envisioned by socialists of every variety. In his last book, uncompleted because of his untimely death, George wrote these prophetic words:—

"We sometimes hear of 'scientific socialism' as something to be established, as it were, by proclamation, or by act of government. In this there is a tendency to confuse the idea of science with that of something purely conventional or political, a scheme or proposal, not a science. For science, as previously explained, is concerned with natural laws, not with the proposal of man—with relations which always have existed and always must exist. Socialism takes no account of natural laws, neither seeking them or striving to be governed by them. It is an art or conventional scheme like any other scheme in politics or government, while political economy is an exposition of certain invariable laws of human nature. **The proposal which socialism makes is that the collectivity or state shall assume the management of all means of production including land, capital, and man himself (see Nomad's definition, supra; M. J. B.); do away with all competition, and convert mankind into two classes, the directors, taking their orders from government and acting by governmental authority, and the workers, for whom everything shall be provided, including the directors themselves. It is a proposal to bring back mankind to the socialism of Peru (men**

organized on the lines of an insect colony—M. J. B.), but without reliance on divine will or power. Modern socialism is in fact without religion, and its tendency is atheistic. It is more destitute of any central and guiding principle than any philosophy I know of. Mankind is here; how it does not state; and must proceed to make a world for itself, as disorderly as that which Alice in Wonderland confronted. It has no system of individual rights whereby it can define the extent to which the individual is entitled to liberty or to which the state may go on restraining it. And so long as no individual has any principle of guidance it is impossible that society itself should have any. How such a combination could be called a science, and how it should get a following, can be accounted for only by the 'fatal facility of writing without thinking,' which the learned German ability of studying details without any leading principle permits to pass (this is directed at Karl Marx—M. J. B.), and by the number of places which such a bureaucratic organization would provide" (pp. 157-158, British edition, *The Science of Political Economy*).

Socialism, however, was not the immediate threat for George's time that it is for ours. And hence, he devoted little time or space to combating it. Like all genuine liberals of his period he was concerned to free competition, preserve and multiply private property (in labor-products), strengthen individual initiative, and widen the market to the four corners of the earth. But unlike his contemporaries who sought to fight an abstraction called "monopoly" by adding to the powers of the State, George, realizing that the State itself is the source of all monopoly, struck at precisely those privileges whose Statist origin was most difficult to perceive and whose importance was primary—private land ownership, patents, and tariffs. Their elimination would

achieve the ends for which he strove, and the failure to eliminate them is the cause of the sorry mess in which the world finds itself today.

Socialism continued to grow after George's death, attracting by its slogans and emotional appeals a growing following to whom the restrained analysis of "Progress and Poverty" was incomprehensible. "The system of private enterprise has defects—let us scrap the system and replace it with its antithesis." Such was the reasoning of the collectivists. To remedy the abuses by means of George's proposals was much to rational. It is far easier to kill than to cure. The old truism that you cannot argue against the use of a thing from its abuse was disregarded. And so at the beginning of the 20th century, the eminent Australian Georgist, Max Hirsch, alarmed by the growth of collectivist sentiment, expanded George's attack on socialism into a full length book, "Democracy versus Socialism." Here is the hideous reality of present-day Russia, down to the last obscene detail, described 20 years before the Soviet Union was born. Here is prophetic analysis, which makes the political and economic prognostications of the socialists seem wholly impassioned, and occasionally lucky guess-work. A complete understanding of these two books is the indispensable equipment of every Georgist. "Progress and Poverty" provides the basic means (and its justification) for the creation of an equitable society; "Democracy versus Socialism," the critical weapon which destroys forever the false claims of the collectivists.

One more word perhaps would be appropriate in referring to George's own belief that certain natural monopolies would best be owned and operated by the State itself. The railroads for example, in his time, were masters of life and death over industry, commerce and agriculture. No other method of transportation had been evolved which could compete with them. So naturally, George mentioned the necessity for their socialization. He did not foresee the competition that air, water

and motor now provide. The same is true of all that we call public utilities today. Collection of economic rent and private operation are not only feasible in our day, but the sole guarantee against the aggrandizement of the powers and activities of government.

In conclusion, I would like to refer to Henry George's conception of voluntary cooperation in relation to his fear of the growing power of large concentrations of capital. In a world where private ownership of land prevails, the possession of large capital accumulations (usually acquired through previous land-owning or other monopoly privilege) gives an advantage over those who have nothing save their ability or power to labor. But the possession of this advantage is not the result of capital accumulations as such—it is the direct consequence of capital accumulations in a world of private landed property. Were the entire economic rent of land collected by society and all other forms of State-granted privilege and monopoly eliminated, fortunes in capital goods, in things, factories, machines, etc., no matter how large, would be incapable of exploiting those who live by the sale of their labor. George knew this, and pointed out that in a free economic society where every form of production was free to be engaged in by all, even those industries requiring large capital investments and maintenance would be entered and reduced to a common competitive level. The means to achieve this was voluntary cooperation—the free association of individuals for a common purpose, bound only by their contractual relations. Such cooperation, for Henry George, represented the highest form of social development. And he never erred by supposing that this type of association bore the slightest resemblance to the State-coerced teamwork of the socialist slave-society. This is obvious from the foregoing quotation.

Henry George acknowledged that "the ideal of socialism is grand and noble, and it is, I am convinced, possible of realization." With this, all

men of good-will must agree. But the ideal can be attained only through the free and voluntary, choices of intelligent, responsible free men, and never through the coercive power of the State. It is here that the fundamental cleavage between Georgists and Socialists appears—and Henry George, despite passages in his writings which may sound collectivistic, recognized this basic distinction. Never a socialist, he embodied in his career the flowering of the liberal tradition, the tradition which so zealously guards the world's greatest treasure—the individual.