

## RELATED QUESTIONS

### THE SINGLE TAX AND SOCIALISM

Modern Socialism, as distinguished from various former social theories which have gone by that name, is that social philosophy which advocates the reorganization of the present system of economic relationships by a series of steps leading to the establishment of the "cooperative commonwealth." The term also applies to the state of society which it is the aim of Socialists to bring about. In the Socialist commonwealth, the land and all the machinery and tools of production would be collectively owned, and their use in production determined by organized society as a whole or by the entire body of producers in each particular industry. The distribution of the product would be likewise determined by the collective will.

In the details of their programme, Socialists differ very widely. Certain elements favor a gradual step by step policy, while others see no hope for even an effective beginning, until the reins of government shall have been seized by a revolutionary and class-conscious proletariat, politically organized along national and international lines. Equally marked differences exist in Socialist views concerning the distribution of the products of labor in the ideal commonwealth. Those inclined to the historical Communistic position accept the formula: "From each according to his ability; to each according to his needs." The doctrine of the type of Socialism represented by Edward Bellamy and the Nationalist movement founded by him calls for complete equality in the distribution of wealth, regardless of the share taken in its production. Other Socialists hold that each worker should be rewarded in proportion to the value of his contribution to the general production, those unable without fault of their own to labor, or exempt by reasons of service fully performed, or

any other accepted cause being supported as wards of the commonwealth. Others, again, refuse to give a positive answer, but assert with Kautsky (*The Socialist Republic: Chapter 9, passim*) that the solution will be found when the conditions present themselves.

“Orthodox” or Marxian Socialism, the form under which Socialism is best known and most coherently presented, holds, in the words of A. M. Simons (*Single Tax vs. Socialism*, p. 4-6) “that at any time the social institutions are determined by the mode in which society gets its living—the manner in which goods are produced and distributed among members of society. It maintains that up to and including the present time this manner of production has been such as to render one class of society a ruling class of idlers and the other a subject class of producers. This ruling class has determined all the institutions of society to suit itself and in its interests. But in every stage of society the manner of production upon which the whole of society rests has been changing; and when it reached a certain point, it brought a class that had hitherto been subject into prominence in the production and distribution of goods. This gave them power with which to overthrow the ruling class, and form a new organization in which they should be rulers. In every age of society, the most prominent feature of the ruling class, and the one upon which their power was based, was that they owned the essential factor in production. In the middle ages this was the land. The landlords were then supreme. Because they owned the land, they owned the laborers who must use the land in order to live. . . . But about the close of the last century another factor in production attained prominence. Up till this time, the tool had been of little importance. Each laborer owned his own tools, and if he could but get access to the land could produce. But now, with the invention of the power loom, the spinning-jenny, the steam engine, etc., it was impossible for each laborer to own the tools with which he worked. The tool became transformed into the great factory, which now became the principal factor in production. The men who owned the factories now owned the thing that men must have in order to produce and to

live; and consequently they owned the men—the laborers. Because of this, they were able to overthrow those who owned the now less important factor, the land; and the landlord gave way to the capitalist as the ruling class. Competition among the capitalists ending in combination and monopoly has divided society into two clearly defined classes, of capitalist and laborer, the former ruling because of his ownership of the essentials of production, which makes the laborer his slave. At the beginning of capitalism, the most essential function in production was the organization of the new forces. This was done by the capitalist. But now that this organization is completed, it is handed over to the laborer; and the capitalist has no active functions, but confines himself to the passive action of drawing dividends because of his ownership. The laborers thus became the essential factor in production. But when any class occupies this position, it is a certainty that it will soon be the dominant class in society.” In accordance with this comforting conviction the Socialist goes on to conclude that the laborers will organize themselves politically into class-conscious bodies to capture the powers of government now held by the capitalists, and will vest the ownership of the land and tools in all of society, thus forever rendering economic slavery impossible.

The central doctrines of the Marxian creed are thus seen to be those of economic determinism, still referred to by many Socialists under the awkward and indefinite earlier appellation of “the materialist conception of history,” and the class struggle. The present mode of production and distribution is known to Socialists as “the capitalist system.” Holding as they do that the evolution of the tool has relegated ownership of the land to a position of secondary importance, and that the tendency towards large-scale production and huge inclusive industrial combinations is destined to become irresistible in all branches of productive activity, thus ultimately rendering their absorption by organized society both inevitable and logical, they have generally looked with small patience on the Single Tax movement, and have neglected a careful study of its economic basis. Holding as they do that capitalism is necessarily monopolistic

by reason of its control of the tools of production, they refuse to concede that capital and labor can by any possibility have a common interest, both being the victims of monopoly.

For a number of years during the early history of the Single Tax movement, after a temporary political alliance which finally brought to light the radical differences of viewpoint as well as of tactics between the two schools of economic thought, the attitude of most Socialists toward Single Taxers was one of contemptuous hostility. This spirit is reflected in the pamphlet of Simons, previously referred to, which reflects an entire misconception of the Single Tax, due to bitter hostile animus, which prevented a study of *Progress and Poverty* sufficiently careful to have preserved the Socialist critic from various glaring errors. At present, a change of sentiment is noticeable among the more progressive and far-sighted representatives of the Socialist movement. The collection of social revenues by the taxation of land values is appearing in Socialist platforms as prominent among the "immediate demands." That the Single Tax is good "as far as it goes," and is a necessary step in the process of economic regeneration, is a sentiment often heard in Socialist circles. A not infrequent human phenomenon at the present time is the "Single Tax Socialist," who insists that there is no incompatibility between the two movements, and that he is equally loyal to both. (A noted liberal religious preacher once publicly defined himself as a "Single Tax-Socialist-Anarchist."<sup>1</sup>) The exponents of reconciliation declare that the Single Tax argument is unassailable, and that the absorption of economic rent by the community is the necessary first step in social transformation. They believe, however, that while this basic reform will be of enormous value in the direction of the freeing of labor, it will require to be supplemented by the socialization of the tools of industry, owing to the economies of large business enterprise and the difficulty of maintaining free competition against the owners of the elaborate machinery required for modern modes of production.

The attitude of Single Taxers toward the Socialist movement has been a subject of much dispute. "The ideal of Socialism,"

<sup>1</sup>For "Anarchy" see Definitions.

said Henry George, (*Progress and Poverty*, Book VI, Chap. 1), "is grand and noble; and it is, I am convinced, possible of realization; but such a state of society cannot be manufactured—it must grow." Single Taxers reject the dogma of the class struggle and recognize only a limited validity in that of economic determinism. As a body, they are strong individualists, although not approaching the extreme no-government attitude of the Anarchists nor the cold-blooded interpretation of *laissez faire* of the Manchester school. Without the necessity of quibbling over the idea of "natural rights," in either an eighteenth or a twentieth century version, they find the sole guarantee of social harmony and justice in a full recognition of the "law of equal liberty," clearly defined by William Godwin in his famous *Enquiry into Political Justice*, and much later repeated and popularized by Herbert Spencer, with whose name it is commonly associated. According to this principle, the legitimate freedom of the individual to act is bounded only by the equal freedom of every other individual; so that an act or course of conduct, to deserve social condemnation, must be essentially invasive in its nature or must become invasive under the special conditions surrounding its performance. Organized society, being made up of individuals grouped in such a manner as to enable them to promote their common or collective interests, can have no lawful powers superior to the aggregate of those which may be claimed by its constituents. The police power, for example, is simply an extension of the individual right of self-defence, and has clearly defined boundaries beyond which it must not pass. It is within its functions in protecting the lives and property of individuals or in putting down armed revolt against organized society or acts or conspiracies tending toward the overthrow of social order. But when it is used for purposes of religious persecution, or to suppress free speech, or to interfere with purely self-regarding acts which are disapproved by the majority or by members of the ruling class but do not in any way interfere with the principle of equal liberty or with that of social order, it becomes a tyranny and a malign social influence. The same principle applies to the constructive labors of organized society. The construction

of highways, the carrying of the mails, the maintenance of public education, the weather bureau and the life saving service, are types of collective activity which plainly concern society as a whole. Individual initiative, unsupported by special powers conferred by the collectivity, would be hopelessly inadequate to the performance of these tasks in the interests of all. The extension of governmental functions to the nationalization of the railroads and the telephones, the establishment of a more rigorous federal and State supervision over the conservation of the natural resources of the land, the more complete development of public sanitation, represent lines of further progress, which do not trench upon individual rights, because they are distinctly in the interest, not of any class however large but of all members of society and of the preservation of society itself. On the other hand, sumptuary legislation, determining the exact nature of uniform clothing to be worn by all citizens, an exclusively government-owned press or a State church, the fixing of set hours at which every citizen must retire at night and rise in the morning, would be no less distinctly recognized as infringements of individual initiative, unwarranted by the legitimate relation of society to its members. Between these extremes, there is a large borderland, with reference to which the average mind rests in a state of some confusion. The democratic philosophy accepted by Single Taxers would give the individual the benefit of the doubt in all obscure cases. In the main, however, the principle is too clear to be mistaken. The normal type of productive activity is that carried on by individuals. Where no form of monopoly or special privilege exists, free competition develops in accordance with a natural law, whether under primitive and simple or under modern and complex methods of production, and thus secures to each participant in the work of production a return equitably proportioned to his share in the process. Only conditions which destroy free competition, by rendering it impossible for him without loss to transfer his energies to other forms of productive activity, impede the working of this natural law. The Single Tax, by destroying land monopoly, the basic and most dangerous form of special privilege, restores free com-



petition to a condition of full vitality, giving to every worker the freedom characteristic of primitive and pioneer conditions of production, while increasing his powers to produce and his share of the common product by the enormous advantages gained through modern machinery, intensive large-scale production, expert supervision and the most efficient division of labor and specialization in the direction of the expenditure of energy. The only industries possibly retaining a power to levy tribute on either their own employes, other producing classes or the general public, would be what are known as natural monopolies, industries dependent on special franchises giving exclusive privileges chiefly consisting of use of special forms of land, water power, rights of way and the like, which by their very nature exclude free competition. As these privileges relate to natural opportunities to which all have an equal right of access, organized society, representing the equal rights of all, is fully warranted in exercising over the franchise-holders a degree of supervision capable of giving to all members of the community advantages fully equivalent to those secured in other industries by the law of free competition. If experience proves that supervision is insufficient to accomplish this end, the law of equal liberty both permits and requires society to refuse to bestow franchises in the premises and to take over in behalf of the public the operations hitherto carried on by private individuals. In the case of each such industry, the specific test must be made on its own merits.

This, then, is the answer of the Single Taxers to the Socialist claim of the breaking down of free competition under modern conditions. Free competition, so far from having proved itself a failure, has never yet been even given a trial. The restoration of the land to the people and the support of public activities by the natural revenue created by the people as a whole are fundamentally just and basically necessary. When this elementary justice is secured, it will be easy to test the degree of power remaining in the hands of the possessors of large capital, whether in the form of immense fortunes already accumulated or in that of huge buildings and elaborate machinery. The Socialist who is firm in his faith should have no fear of meeting the test. If his analysis

is correct, the establishment of the Single Tax will bring him one step nearer to reaching his goal. It will destroy one huge class of parasites upon labor, and will weaken all the other classes. It will give the workers at least a larger measure of independence than they now enjoy, and hence a leverage for more effectively pressing their advantage. This is the very least that it will accomplish. On the other hand, if the result is that claimed by the Single Taxer, not merely to bring labor a step nearer to securing its rights, but also to ensure that it shall receive its full product without the necessity of upsetting the present system of production; if free competition actually ensures an equitable distribution of the wealth produced between labor and capital in a just proportion to the contribution of each to the work of production; if the "class struggle" between those who exploit and those who are exploited comes to an end by the disappearance of exploitation through the abolition of monopoly and the relegation of capital to its proper position as the partner and assistant of labor: the true end of Socialism will be achieved by the transformation through natural law and not by the revolutionary overthrow of what Socialists term the capitalist system. While the Single Taxer, confident in an analysis based on fundamental economic principles, is assured that the last-given supposition is the correct one, he is, with Henry George, prepared to recognize the noble aims of Socialism, though sharply dissenting from its current tactics and from its assumption that exploitation can be cured only by so drastic a measure as the seizure of all the tools of production and their collective operation. Capitalism, under the Single Tax, could not by any possibility be the ogre that Socialists picture it today. But it is not the purpose of Single Taxers to discount the future. Their aim is to set the economic pyramid, now wabblingly poised on its apex, firmly on its base, by eliminating the direct and indirect exploitation of labor and paralyzation of industry involved in the monopolization of natural resources and the private appropriation of economic rent. With this major task accomplished, it will be far easier to trace any remaining industrial or social disorders to their exact source, and to adopt whatever measures judgment and experience may dictate to correct them.—J. F. M., JR.