

Henry George and the Reconstruction of Socialism

“There is a body of socio-economic truth which incorporates the best insights of both capitalism and socialism. This Middle Way is the philosophy... of Henry George.” - **Robert V. Andelson, *Henry George and the Reconstruction of Capitalism* (1994)**

“What I have done... is to unite the truth perceived by the school of Smith and Ricardo to the truth perceived by the schools of Proudhon and Lasalle; to show that *laissez-faire* (in its true full meaning) opens the way to a realization of the noble dreams of socialism...” - **Henry George, Preface to the Fourth Edition of *Progress and Poverty* (1880)**

“The great sinister fact, the one that we must live with, is that we are yielding up sovereignty. The nation is no longer comprised of the thirteen original states, nor of the thirty-seven younger sister states, but of the real powers: the cartels, the corporations. Owning the bulk of productive resources, they are the issue of that concentration of wealth that George saw evolving, and warned against.

These multinationals are not American anymore. Transcending nations, they serve not their countries interests, but their own. They manipulate our tax policies to help themselves. They determine our statecraft. They are autonomous. They do not need to coin money or raise armies. They use ours.” - **Agnes George de Mille, Preface to the Centenary Edition of *Progress and Poverty* (1979)**

It has been said that those who do not learn from history are doomed to repeat it. Now, in the wake of the supposed victory of capitalism over socialism, we find all of the old problems due to capitalism still with us and perhaps some new ones, too – like the threat of planetary death due to environmental degradation and nuclear weapons.

The Left got it right: Militarism serves the needs of capitalism – which requires ever-expanding markets; and ecological destruction is the result of capitalism – which requires the over-use of natural resources to fuel its expand-or-die imperative. As Agnes de Mille wrote in her Preface to *Progress and Poverty*: “Our government, alas, was predicated for its effectiveness in expansion of free land. Now there is no more free land, and the flaw in the plan grows evident. We have reached the boundaries and we turn back on ourselves and devour.” It could well be said that we have reached the limits of global boundaries and the devouring is well under way in various countries around the world, particularly the former Third World, where the “free market” (in cheap labor and natural resources) expands at the point of a gun.

This has little to do with the myth that the market rewards the most productive. On the contrary, as various corporate scandals indicate, CEO salaries grow to the degree that productive workers are deprived of jobs and earned benefits. Corporations grow fat off tax dollars devoted to the conquest of natural resources and the destruction of whole nations and their subsequent rebuilding.

On a personal level, the participants in capitalism must continually seek a position of advantage over their competitors, which therefore they cannot regard as fellow human beings. They must, in short, be rent-seekers. Either rent-seeker or rent-payer be! The war of each against all – and this is what the United States government has been exporting around the world, bringing it now to a state of total and endless war. This

wholesale slaughter of human lives is a catastrophic ongoing war crime committed in the name of the United States of America. The new barbarians have arrived, they not only have passed through the gates of the last best hope of humanity, they now reside in the seats of power.

Henry George predicted how modern civilization may decline, and his granddaughter Agnes DeMille reminded us and updated the details in her introduction to the 100th anniversary edition of *Progress and Poverty*. Corporations, she wrote, do not need to coin money or raise armies in their conquest of the earth – they use ours. The world has seen a century of war to keep imperial monopoly capitalism going. All the rhetoric of a laissez-faire capitalism that never existed and never can exist (because it would self-destruct) has obfuscated humanity for far too long.

We now know the full meaning of Proudhon's paradox concerning property (meaning capitalism): Property is liberty, property is theft, property is impossible. Property, the legal right to reap what others sow (to charge speculative rents and usurious interest) destroys its victims and then self-destructs. The various business depressions prove that. The various wars that get the system going again suggest that the system is not worth the price in the loss of human life and real wealth.

George sought a middle way between the horrors of economic slavery and war on the one hand, and the overreaction of political slavery and stagnation on the other. Neither capitalism nor state socialism would satisfy him. He sought to synthesize the schools of Lasalle (state socialism) and Proudhon (anarchist socialism or mutualism) with that of Smith and Ricardo (free market capitalism) – the best insights of both socialism and capitalism. He once said that if he had to choose between anarchy (no government) and state socialism, he would choose anarchy. Steve Zarlenga, in his writing on George and money reform, suggests that this choice does not have to be made. At least, I would suggest, not yet – but we may be running out of time. The forces of dictatorship are growing strong in the United States and once again in Russia. And the leader of the United States has explicitly declared war on all those who do not side with him.

Can we really have a good society? Is such a thing still possible? What would that be? I suggest it would be along the lines proposed by Henry George, in which what is naturally social is democratically governed by all concerned, and what is by nature individual remains honored and safeguarded under the sovereignty of the individual.

Land, natural resources, and public services are all common property to be governed democratically and checked by constitutionally-protected civil and personal rights. Government has no business restricting what people privately and consensually do with what is naturally theirs – their bodies and minds, their speech, labor, and products of labor – and no business leaving to private interests what is by nature social including monopoly title to land sites, natural resources, laws of nature, and public services including the issuance of legal tender, the justice system, and governance in general. While labels are secondary, I would consider this middle way to be a kind of *libertarian socialism*.

Although George eschewed the label, socialist, he did inspire the social reform movement of his day, which is the larger meaning of socialism. As a libertarian socialist he believed greater liberty would achieve the goals of socialism -- which he also called

association in equality. He praised the aims of socialism even as he opposed the means of state socialism. Here is what he wrote in his periodical, *The Standard*, 8/23/1887, about the split between the (socialist) Labor Party and his own United Labor Party, calling attention to "a far more important question" than that of the use and abuse of parliamentary procedure:

"That question is whether the United Labor Party is or is not animated by the ideas, and working toward the aims, of state or German socialism."

This is a reference to the socialism of Marx and Lasalle. He is opposed to a certain type of socialism – authoritarian socialism. He contrasts this with the "principles and methods" of his own United Labor Party:

"-- the recognition of equal rights to natural opportunities by the appropriation of land values in taxation and the assumption by the community of such functions as involve monopoly or can better be performed by organized society than by individuals."

George's cooperative commonwealth as envisioned in *P&P* included all sorts of public amenities financed out of society's economic rent, and in *Protection or Free Trade* he advocated a pension for everyone, financed out of economic rent, of course. The problem now is that our society is both privatizing and squandering its economic rent, its public revenue, its social surplus, what Fred Harrison has called its sacred income – squandered on mass murder over the oil fields of the Middle East in particular, and "full spectrum dominance" (global domination) in general. But where is the Georgist protest? Where is the Georgist alternative and path to its realization? Where, that is, is it heard, known and talked about beyond Georgist circles? This is not to cast blame – indeed, treading the middle way often means being ignored or rejected by the contending extremes.

In light of the fact that few seem to be listening, perhaps we Georgists need to try new ways to gain people's attention. We need to reach out to those most disadvantaged by the present monopoly system. We need also to use various means, other than written words like these! – to stir interest and to inspire. In spite of the early Georgists of a century ago who founded Single-tax communities that attracted artists and writers; and in spite of choreographer Agnes de Mille's connection to George and to us; we have left virtually unexplored the world of cultural expression – the world of visual arts, dance, theater, and literature. Is it not time for us to take the Georgist paradigm to those who are the free spirits in society, the artists in various disciplines, and invite them to translate and interpret our paradigm in their own artistic languages? Where are the artists among us? Maybe it is time for Georgist artists to come out and to collaborate with those other artists and kindred spirits who give form and expression to the concern for the well-being of Mother Earth and all her children!

Dissident scholars such as Michael Hudson and Kenneth Wenzler have criticized George and his Single-tax movement for basically failing to make the proper political choices, for not allying themselves with the progressive and socialist movements of their day. There were, of course, individual exceptions such as Bolton Hall, but certainly the lack of Georgist political success speaks for itself. Socialists, too, failed to appreciate the importance of George's distinction between land and capital – and between land and labor.

Today, facing the obvious fact that the system cannot employ everyone at a living wage, that people are dying of poverty even in the richest of nations, the time is ripe for a reconstructed socialism that calls for the equitable distribution and redistribution of the economic rent of society – the social surplus that is now siphoned-off by the FIRE sector (finance, insurance, real estate). So much of “finance capital” is really economic rent – making another of George’s insightful distinctions – between real and spurious capital – more relevant than ever.

Finally, George’s distinctions between land and labor, labor and capital, and real capital and spurious capital, can be applied as a critique of and alternative to the mistreatment of land and labor as commodities (as wealth or capital – as in “human capital”) subject to exploitation and privatization without restraint or compensation. And this is why the Georgist paradigm, fully applied, is more than a reconstruction of capitalism – because it is a **deconstruction of *the false and falsifying economy that turns everything into capital.*** This subversive process – this demiurgic alchemy – of misidentification and consequent mistreatment of reality is the only definition of capitalism that accurately describes its essence in practice. Meanwhile, the depth and profound implications of George’s ethical economic distinctions have yet to be fully plumbed.

The Georgist paradigm shows how humanity can raise wages, share the economic rent and the benefits of civilization and culture, and abolish the burden of spurious rent and interest. These are among what George called the “the noble dreams of socialism”, which George’s anarchist contemporary Benjamin R. Tucker called “The Great Anti-Theft Movement of the 19th Century.” Now, we Georgists, or Geonomists, have an opportunity to ally with the great anti-theft movement of the 21st century that opposes the privatization and destruction of the commons – humanity’s common heritage of the Earth – and the resulting impoverishment and enslavement of most of the Earth’s inhabitants. This “anti-globalization” moment is really an anti-globalmonopolization movement, and as such, suggests a basis for the reconstruction of socialism in which land is the proper object of democratic social ownership. To this reconstruction of socialism we Georgists, Geonomists, GeoGreens and GeoLibertarians, can offer much if we wish to.

In the wake of the hollow victory of monopoly capitalism over state socialism, with poverty on the rise as wealth amasses in fewer and fewer hands, with the well-being of Mother Earth at stake, a new vision and a new party of global peace and freedom, with equity and prosperity for all, is gestating and waiting to be born.

Who will be among the wise and skillful midwives?

Mark A. Sullivan

December 1, 2004. Revised February 20, 2006.

**Earth-Sharing Associates, c/o Circle of the Free Spirit,
Box 230316 Ansonia Station, New York, NY 10023**