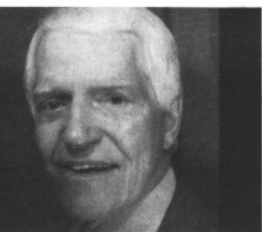


LETTERS

YOUR VIEWS
edited by
JERRY STOVIN



Socialism is alive and kicking

THERE IS, TODAY, a certain fashion in some quarters to write-off Socialism as having no political significance. Although, in Britain, there has never been any strong political backing for a Socialist Party by name, nothing could be further from the truth in terms of active politics. Socialism is a political philosophy which was developed after the French Revolution along the lines of Saint-Simon and Fourier who emphasised *associative enterprise* rather than direct state control (c.f. New Labour below). Marx and Engels dissociated themselves from this utopian view and sought to turn Socialism into a revolutionary force. Leadership in thought then passed to Germany, where the first major socialist party was founded by Lasalle. In the last decade of the C19th, its counterparts were to be found in Britain and Russia, but the attempted internationalisation (First and Second Internationals) collapsed through discord.

British Socialism (with its origins in welfare-minded industrial entrepreneurs and Robert Owen with his co-operatives) was deeply sceptical of Marxism and generally held to democratic practices. It tried to use the Trade Unions as its real source of power, eventually entering and trying to influence the Labour Party. In Germany, Socialism was seen as a prop for Nationalism: and Bismarck, whilst not a Socialist, recognised the anti-Liberal and paternalistic affinity of Socialism and "Toryism", and aided by "the Prussian



FEATURE LETTER by ROY MARTIN

schoolmaster" (state education was for the state), set the notion of the corporate state and its industrial army.

Socialism has always been somewhat vague in its mode of achievement as well as meaning. It has covered the whole range from Marxism to so-called Humanistic

Liberalism. It is this vagueness which has enabled Socialism to be pursued by indirect community control and why, today, we have reached the position about which Hayek so clearly warned, and epitomised by the dedication "To the Socialists of all Parties", in his *Road to Serfdom*. The Liberals lost their way after WW1 by pursuing state paternalism – a poor second to Labour – and the Conservatives accepted the Welfare State and similar paternalistic reforms, after WW2, because they did not significantly disturb their real economic basis – indeed, they saw gain from it.

More recently, the Labour Party, after ousting its militant left wing under Kinnoch and dropping nationalisation under Blair, went for the option of indirect state control. The present Government is courting the big corporations and landowners for the control they have (compare the support for aristocrats and Junkers in Germany of the thirties), setting up a multiplicity of agencies and task forces with powers to intervene but unaccountable to Parliament, reducing the Trade Unions (the core of Old Labour), pursuing economic planning by interference in the market place with subsidies, tariffs, licensing and by controlling the money supply and the interest rates, using the welfare system to make the individual state dependent, applying unprincipled arbitration throughout, nurturing collectivism, directing values and morals and preaching "political correctness" (Nazi Kultur?).

This is Socialism in all but name and the antithesis of so-called Western Capitalism, which is defined by the belief that unchecked, by taxation or otherwise, capital led to the optimal development of the economy. It was Hitler's method after crushing the Communists and uniting the Socialists of all classes. He achieved the political rebirth of the German nation by making government 'big business', protecting landed privilege, disarming the Trade Unions, throwing off the Versailles Treaty, and bidding for what Germany wanted most and still does – "lebensraum".

Indirect control, by ostensible privatisation, becomes the more efficacious way of maintaining Socialism and state supremacy by avoiding the blame for much of what goes wrong. For example, Blair has freed the Treasury of blame for monetary policy by detaching it from its previous partnership with the Bank of England and making the latter solely responsible, whilst knowing perfectly well that it will keep to the same fiscal

The terms of free trade

Sir, Free trade means unimpeded trading conducted by willing participants. It is not free as in the case of free lunches. Trading refers to exchanges done in services rendered or in manufactured products.

Georgists are not anarchists. We recognise that the role of government is to collect the economic rent of natural resources within its jurisdiction and to safeguard the person and property of its citizens. This includes a vigilance for any-

thing which might endanger public health.

If anyone wants a better term than 'free trade' it had better be good. "Fair trade" won't do. It is as vague as beauty being within the eye of the beholder!

Some Georgists waste a lot of valuable time and effort arguing over semantics. Do the conservationists hold self-examination sessions over the meaning of the word "environment"?

Mr Lefmann (*L&L*, Spring 2000) states that

"freedom for giant international companies means less freedom for producers, traders and consumers" but forgot to include his evidence. It was just another version of the "big is bad" script run by the disillusioned socialists.

The WTO Seattle demonstrations were no more than a manifestation of the public ignorance of basic economics. It ain't us that's got it wrong!

Frederick J Auld
Dodges Ferry
Tasmania

policy as before and respond to his interventions.

Henry George, himself, was somewhat ambivalent about Socialism, partly due to its vagueness or degree of application, and partly due to the fact that he could only take a theoretical approach to its study because its modern practice, development and appeal had yet to be seen: and to this extent he is out of date. He started by recognising its objective but doubting its efficacy (*Progress & Poverty*, p.319), then to its seeming inevitability (*Social Problems*, p.152) and his support for state control of some routine public services (*Protection or Free Trade*, p.122, *Condition of Labour*, p.52), partial withdrawal over the antagonism of socialism to capital (*A Perplexed Philosopher*, p.205) and final rejection as impossible on spiritual grounds (*Science of Political Economy*, p.393). However, if you understand your Henry George, or can go back much further, as does Radical Liberalism, then you can analyse the social-economic situation and understand what is functioning politically, whatever it is called – New Labour included.

Socialism is not discredited or out of fashion: it lies behind the whole gamut of current party politics. The bickering in the Commons, today, is only about detail arising from minor preferences within the same socio-economic approach, not with major differences in ideology. It is common law and Liberalism (out of fashion if anything is) which has suffered under the growing impact of statutory law and government interference – and the word “Liberty” is rarely heard in the land. The real danger of Socialism remains: every step down the road of perceived need to control people increases the need for those governing to overcome any dissent; and this gradually drives them to extremes, to National Socialism, Fascism and Nazism as it did Hitler’s Germany and Mussolini’s Italy. Even Saint-Simon had to say that those who would not obey his Planning Boards would be “treated like cattle” (Hayek). We are perilously close: and it is not due to Liberalism or old-fashioned “Toryism”.

Prof. Martin is a former National Science and Technology Policy Advisor to UNESCO.

Land as the phoney basis of debt

Sir, In response to your recent correspondent who pleaded the primacy of money over land, the entering of land as wealth in bank ledgers infiltrates a falsity of huge dimension into the money system. For land, having no cost of production, is obviously a false exchange for goods and services. It is purely a monopoly advantage that the banks register. Land “wealth” – taking into account the phoney “debt” it invokes on the other side – must be responsible for the hugest creation of false money in the system. But I have yet to see a monetary reformer refer to this...

Shirley-Anne Hardy
Pitlochry, Perthshire

Land & Liberty Autumn 2000

Books

Essays that exposed an injustice

Anthony Werner

OUR LAND AND LAND POLICY

Kenneth Wenzler (Ed.)

Michigan State University Press
\$22.95/£16.99

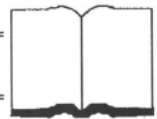
THIS collection of Henry George’s lectures, articles and sermons was chosen by his son when it was first published in 1901. The title of the book, *Our Land and Land Policy*, is taken from the first essay which was also Henry George’s first publication, published as a pamphlet in 1871.

The essay exposes the reckless and corrupt manner in which vast tracts of public land in America were being granted to speculators. For example, of the 650,000,000 acres disposed of, only 100,000,000 were given directly to cultivators, many of whom were later tricked out of what they had received by cunning lawyers and corrupt town hall officials. By far the biggest beneficiaries were the three Pacific railroad companies, granted 25,600 acres per mile of railroad they built.

George cuts through the plausible arguments put forward to support these grants, that they hasten the building of the railroads and so the populating of the West, by pointing out that the settlers who follow the railroads have to pay so much more to the companies for the land that settlement is often delayed and large areas are left unpopulated until people can afford the ransom demanded. Here clearly is exposed the connection between “progress” and poverty.

The book contains a useful introduction which describes the moment when Henry George realised the connection between land and poverty. It also describes a visit George’s son paid to Tolstoy in 1909. Tolstoy spoke of his hopes that George’s approach might govern the reform movement in Russia rather than those of the nihilists and revolutionaries. Sadly his hopes were not to be fulfilled.

The ten other essays included in the book are *The Study of Political Economy*, *The American Republic*, *The Crime of Poverty*, *Land and Taxation*, “Thou Shalt not Steal”, *To Workingmen*, “Thy Kingdom Come”, *Justice the Object – Taxation the means*, *Causes of the Business Depression*, *Peace by Standing Army*. Addressed to diverse audiences, they reveal the breadth of Henry George’s thought and his commitment to relieving the injustice of poverty through educating the public to an understanding of the cause. In a democracy it is only ignorance which stands in the way, but there are powerful interests that preserve ignorance.



Coca cola culture & the parable of bird dung island

Fred Harrison

PARADISE FOR SALE: A PARABLE OF NATURE

Carl N. McDaniel
& John M. Gowdy

University of California Press, £11.50

NAURU IS a bird dung island in the Pacific, complete with palm trees and golden beaches. I visited the island in the 1980s during an investigation into tax havens. It was a shock to see the lunar landscape: the phosphates had been plundered to fertilise the farmlands of industrialised nations.

For thousands of years islanders had sustained an idyllic existence on Nauru, until the rental value of its bird dung was recognised. Suddenly, the palm tree culture was swapped for the coca cola culture as the community was enriched with tens of millions of dollars every year. And therein lies the moral of what happens when people sit back and live off rents.

The phosphate rents were invested, supposedly to guarantee the future of the islanders when their natural resource was exhausted. But the culture of the island collapsed. And so did the financial future of the islanders, because so much of their income was invested speculatively in real estate in Australia. With an annual income of A\$60 million, the government has landed itself with a debt of A\$600 million.

This sad tale is told by McDaniel & Gowdy. They explore how cultures which have survived greater constraints on their environment – such as limited water, short growing seasons and poor soil – were able to develop more sustainable civilisations than more richly-endowed societies. The explanation appears to be that people living on the ecological edge have to avoid mistakes that would jeopardise their future. In ecological terms, the feedback mechanisms have to be more sensitive, to alert people when they start to abuse their natural habitats.

But we have not yet extended this debate to cover the way in which people in the past have jeopardised their cultures, which are every bit as fragile as earth’s topsoil. The result has been the eclipse of many civilisations. Environmentalists should be invited to develop a methodology for identifying the critical trends that direct seemingly virile social systems to destruction. A starting point would be the parable of the people of Nauru.