

Henry George and Karl Marx: Thirty Years After

BY F. McEACHRAN

THROWING LIGHT on the world situation, Mr. McEachran points out once more the vital differences between the Marxist and the Georgist analysis of capitalism, drawing contrasts between the Marxist and Georgist mentality and the effect of what is called "the dialectic" on the human mind.

In this searching paper the speaker maintains that "surplus value" (which Marx says accrues to the capitalist from the workers' share of the economic product) is really an outcome of the private appropriation of land rent. If private property in land were removed, he suggests, capitalism would not only work well, but would work for the benefit of the worker.

Comparing the two great economists—Henry George and Karl Marx—he reminds us how each produced his great work under very different circumstances. George wrote his books while living in a relatively free America, and Marx in the already industrialised and landlocked Europe, which no doubt blinded him to the possibility of freedom which was then so evident to George.

Free trade and free land, together with free speech and religious tolerance, remain the basis for a peaceful and co-operative world. Yet two centuries after Adam Smith demonstrated the scientific nature of free trade, and almost a century after Ricardo and Henry George promulgated the Law of Rent, we are still far from understanding their full economic significance.

"The minds of men," says Mr. McEachran, "have been and are being moulded in the collectivist interest—with its final appeal to the state to iron out all differences and give men some kind of security." The reason? Undoubtedly this is because of the growth of monopoly—of land monopoly first and foremost, and other great monopolies on top of it too numerous to mention.

When the revolutionary proletariat seized power and nationalised what Marx called the "means of production," they confused the *source* of wealth (which is land) with wealth itself—food, clothes, houses, etc., together with the tools, machines and factories which are produced from land when labour is given access. The answer to the resulting confusion does not lie in improved forms of book-keeping.

It is doubtful if Karl Marx ever envisaged the giant state run by a bureaucratic machine—which is one of the great causes of discontent in the world today. However, once a nation leaves the free market this is what it gets in return, call it what you will—state capitalism, the managerial society or "meritocracy."

What Harold Wilson is up against is much the same as what the whole world is up against—not a submerged proletariat fighting a class war but a deep-rooted dislike of control from afar. The welfare state has done many good things, but no one would claim that it has

brought us nearer to freedom. Yet freedom really is the only end.

Currently, thousands of students and factory workers have been demonstrating how they feel about this, with marches, riots or well disciplined sit-ins, expressing their distaste of bureaucratic conservatism as thousands have done before them. But while they may be dimly aware of the problem they have not yet suggested a convincing remedy.

Free trade is part of natural law. With the old gold standard that arose out of it, the economic balance was self-regulating and did not depend on the whim of government or of international agreement. Today, having departed from free trade policies, the world staggers from one monetary crisis to another. A real free market in land—along with free trade on a world scale—may one day bring hope of lasting peace.

We shall survive collectivism, says Mr. McEachran hopefully. There are signs that the intensive education the state demands of us does wake up the soul, however materialistic it may be. Even in Russia individuals are beginning to question once more the meaning of their lives.

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