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## How Would You Define Democracy?

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**R**ESPONSIBLE Americans who can find the time and are able to take the opportunity are increasingly anxious to understand where our country is being led. Certainly investigation along these lines should come under the general classification of the social sciences and it seems inevitable that the backbone of these studies is economics.

The economic organization of the United States then, should be of primary interest to anyone who has the country's best interests at heart, and that this organization be kept in accord with successful democratic principles seems desirable to anyone familiar with the history of the nation's development. Our economic organization, i.e., the manner in which our resources are utilized and the products distributed, is therefore to be analyzed from the standpoint of democratic standards.

To accomplish this it is first necessary to clear the air of the misinterpretations of democracy which have been so great as to confuse even many important students of the subject. The extent of this confusion in the popular mind was all too evident from a recent survey made by the author in which everyone who used the word in conversation was asked to define it. The replies had a wide range. The shortest was from a taxi driver who, having just delivered Mrs. Roosevelt to an apartment, was all enthusiasm and said she was such a democratic lady! Asked what he meant by democratic, he said, "Why she's just as common as I am."

There were many answers concerned with the four freedoms or parts thereof; many presented various aspects of government by the people, etc., but none excluded claims equally made for liberal socialism. The crowning reply was from the president of a women's club, who said: "Of course, the wonderful thing about democracy is that anyone can have his own definition of it." Evidently almost everyone *has*, and consequently the word has no more value in its present state than counterfeit money.

The need for a generally understood, clearcut definition of the word *democracy* is paramount. And to avoid the pitfalls that many very intellectual people have fallen into we would do well to review the fundamental requirements of all adequate definitions. They must contain two elements, usually referred to as *genus* and *differentia*. 1) The *genus* identifies the thing or idea, which is to be defined, in a large group of things or ideas with which we are already familiar. 2) The *differentia* must state clearly that characteristic or those characteristics which differentiate it from everything else in the *genus* or group. As a final test of an adequate definition we must ask: Does the definition exclude all instances which it is intended shall be excluded? Does the definition include all instances which it is intended shall be included?

After extensive research in plumbing for the fundamental *genus* for democracy it becomes apparent that it is a "way of life." We recognize that because of various combinations of



laws, customs, traditions and ideologies, there are various systems or ways of life of which the democratic way is one.

Secondly, we must establish our *differentia*. What is it about the democratic way of life that really distinguishes it from all others? Here we have to particularly invoke Herbert Spencer's definition of intelligence and classify ways of life according to their *fundamental characteristics*. Much the same kind of careless thinking that has produced so many confusing definitions of democracy has attached labels to ways of life which not only fail to describe them but which definitely misrepresent them.

For instance, the old favorite *laissez faire* that lost its popularity because it is the label for a system which a large section of economists are calling a failure, is a sad example. The fact that no system that those words describe has ever been tried except on a most incomplete and primitive scale is rarely mentioned. Its predecessors *feudalism* and *mercantilism* seem better understood but they apply more to political structures of the times than to ways of life.

Those writers who point out that no matter what system is supposed to be prevailing, elements of another and perhaps opposite nature always seem to coexist, shed the kind of light on this analysis that advances our thinking and leads us to see that throughout history all forms of government are *trends*—not absolute accomplishments. And by the same token the ways of life which they reflect trend in one direction or another.

In undertaking the classification of these trends according to their fundamental characteristics, our interest is in the "way of life" that they produce, i.e., the effect on the lives of the citizens. And this boils down to two. 1) whether the trend is toward a progressively strong, paternalistic government on which the citizens can

lean and become progressively weaker, or 2) whether it produces strong, intelligent, self-reliant citizens who require a minimum of government.

Obviously the former trend is toward maximizing power in the hands of the governing class whatever that group may happen to be called and therefore of necessity progressively minimizing the strength and the will of the people. The ultimate result of this trend is dictatorship, again regardless of what it may be called.

The opposite trend can only be toward maximizing the inalienable rights, freedom, and strength of the people and limiting the function of government to securing these rights.

It is, of course, in essence the old argument between statism and individualism, and students of the history of government have learned long ago that a governing group of any sort has a strong inherent tendency toward the accretion of its powers, to the detriment of freedom and initiative among the general non-governing class. This tendency is like a progressive disease; laws or bureaus set up to correct some evil have a tendency to create new maladjustments which bring on more laws and more bureaus, all of which of necessity limit the freedoms of the populace and increase the power and size of the governing group. When the people get too thwarted and some kind of revolt is feared, standard historical practice is, of course, to advertise a threat of war and thereby "unite" the people under the same old governing group with enlarged military and war production bureaus.

But by now we see clearly that this is not a trend toward *democracy*. . . . So we are in a position to complete our definition. The *genus* as a "way of life" was not difficult to establish. And for the *differentia* we can pick out the un-failing characteristic which *includes* a trend toward the best opportunity for each citizen without infringing on equal opportunities for every other, and which *excludes* a trend toward increasing any unnecessary power in the hands of the governing group, the ultimate of which is dictatorship.

*Democracy is that way of life which guarantees to each person a maximum of freedom limited only by the equal freedom of another.* Every individual interested in saving the world from the present trend toward dictatorship and war should be able to repeat this simple, clear definition as though his life depended on it, because it may.

In a real democracy where the trend is toward a maximum of individual freedom, labor should have all of its wages to do with as it pleases, avoiding only infringement on other's equal liberty. Capital should have the same rights with interest. The return for private use of land acreage is an appropriate source of revenue to support the minimum government necessary in maintaining maximum indi-

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## Define Democracy

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vidual liberties and preventing them from infringing on each other. This would be a perfect automatic stimulus to efficiency in government as people would be willing to pay more for the use of land in a well-run community than in one where the government was bad.

Under this truly democratic economic organization then, all three factors of production would be stimulated as follows:

1) *Labor* (the active element in the economy) assured of getting the full and just return for its efforts, individual initiative would be stimulated to a maximum.

2) *Capital* assured of getting its full and just return for its aid to labor in production, there would be all the aid to labor that it could use.

3) With the return for the private use of land going to the community from whence its value arose, the *population* would benefit by whatever degree demand exceeded supply rather than individuals who had not created this value. A great deal of land which is now held for speculative purposes would be available to anyone who would, as the highest bidder, compensate the community for the privilege of its private use. This would encourage all privately held land to be used for productive purposes, or if it were not, the community would still be recompensed as though it were being so used. But under these conditions few people would hold land out of use on the chance of future increase and most people would be stimulated to get the maximum production from their land since they would be paying a top competitive price for its private use.

One precept of psychological accomplishment is generally admitted. If a goal is held constantly in mind and is not in conflict with a law of nature, it is possible of achievement. If, therefore, we want a return to the expanding economy which was the birthright of this country under the former democratic trend of a minimum of interference, we must keep the clear definition consistently in mind and not allow ourselves to be taken in by plausible, planned substitutes. Our recent full employment and pseudo prosperity is an example of the artificially stimulated variety which is no more lasting than any of the other experiments which use the trend toward the planned economy or socialism. Each time such panaceas are used it is like any drug, the economic organism is temporarily bolstered up but it is that much harder to get back toward a self-supporting economic organization that will give us all our greatest opportunities.

The object of this discussion has been to outline an economic organization which would be in accord with the trend toward democracy. In the early days in America, available land was so plentiful that the limitations caused by its monopolistic tendency were not felt as they were in Europe. That was why we could be a democracy in the proper sense and that was why we were the "land of plenty." But without economic democracy, i.e., equal opportunity of access to land, where sustenance and all other material production begins, we find that political democracy is slipping away as it has throughout history.

*The foregoing article is made up of excerpts from a Master's essay in economics which was accepted, somewhat reluctantly, by the Graduate Economics Department at Columbia University.*