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DEMOCRACY VERSUS SOCIALISM.* (FIRST NOTICE).

* "Democracy versus Socialism : A Critical Examination of Socialism as a Remedy for Social Injustice, and an Exposition of the Single Tax Doctrine." By Max Hirsch (Melbourne). Published by Macmillan & Co., London. Price 10/- net.

By L.H. Berens

Whilst recognising, with the author of this most timely and valuable book, the services Socialists have rendered in the recent development of economic science and the awakening of political thought, whilst appreciating, with him, the " high ability, character, and attainments" of many within their ranks, we must confess that we have often desired that someone would impartially and critically examine the doctrines of Socialism, the economic, ethical, and political conceptions on which they are based, as well as the industrial, political, and social changes which they involve. The book now before us accomplishes this task, and that in a manner which should recommend it even to those who may dissent from its views. Though certainly a book for the thinker rather than for the partisan, for the student rather than for the general reader, it is one which no student of any branch of sociology, of ethics, politics, or economics, whatever may be his individual tendencies or partialities, can afford to ignore. Its emphasis of the degrading and demoralising social ills which to-day seem the inevitable accompaniment of the present civilisation, should recommend it to every earnest social reformer, irrespective of the particular school of thought to which he may belong. Its frank appeal to the reasoning faculties, rather than to the emotions, should make it welcome to all of a philosophic turn of mind, to all, in fact, capable of following a closely reasoned argument. Its candid admission that the advocates of the theories it criticises and subsequently condemns are actuated by the noblest sentiments that can spur men to activity, should rob its crushing criticism of all its sting, and compel even them to admit that it is, indeed, the work of an unbiassed, earnest, and sincere seeker after truth, who condemns no theory without understanding it, or accepts any theory without submitting it to the severest tests that reason can devise. Hence it is a book to be recommended to all who would acquaint themselves with the present position of Social Science, to all

who would guide their own activities and aspirations by the light of correct thought.

An Analysis of Socialism.

In Part I. of his work Mr. Hirsch presents us with a clear and definite analysis of Socialism, an analysis which we think will be unreservedly accepted by Socialists themselves, as it is based entirely on statements, mostly quoted verbatim, emanating from avowed and recognised Socialistic sources. He first examines the economic, ethical, and political conceptions on which it is based, its industrial and distributive proposals; and, finally, the passionately urged claim of modern Socialism to be considered scientific. This last named inquiry will, we think, be generally recognised as most instructive and important. Everyone competent of thinking on the subject must recognise that there must necessarily be certain constant and immutable natural principles, or " laws," determining the results of our social, as of our industrial, activities, in accordance with which we must shape our actions if the motives that inspire them are to be fulfilled, if the ends to which they are directed are to be attained. As everyone more or less clearly recognises, the results of our actions, social as well as industrial, are not determined by the motives that inspire them, but by the means we adopt to attain our ends: if these are in accordance with the demands of Nature, they will succeed ; if not, they are inevitably doomed to failure. Whether we like it or not, whether we recognise it or not, Nature, to use Lord Bacon's words, is not conquered save by obedience; and this is true of our social as of our industrial activities. Mr. Hirsch clearly recognises this; and it is in the light of this fundamental scientific conception that he examines the doctrines of Socialism, and searchingly investigates its claims to be scientific, to be in accord with "well ascertained natural laws governing the conduct of men in society."

Its Economic Conceptions.

In the first place Mr. Hirsch submits the fundamental economic conceptions of Socialism to a most searching criticism. Its theory of value, its views of competition, its basic notions concerning that most vague and mysterious term

"capital," which form the key-stone and corner-stone of Socialistic doctrines : are all carefully examined, compared with facts, and ultimately discarded as discordant therewith. In fact, Mr. Hirsch traces the errors of Socialism mainly to its obviously false views concerning competition and "capital." Speaking of competition, he says—

"The main difference between Socialism and other non-socialistic methods of social reform will be found to be that, while the former condemns competition as such, the latter condemn the one-sided and inequitable conditions under which competition is now carried on, and looks forward to the removal of these unjust conditions and to the establishment of a really free and equal system of competition—the possibility of which Socialism denies—as the cure for the fundamental injustice of modern societies."

Again, after pointing out the real and essential differences between accumulated stores of wealth, the product of human labour, the function of which is to aid production, to promote exchange, and to increase the productive power of labour, and legalised privileges and monopolies—titles to land, to special advantages, and so on—the function and result of which is to enable some few to command an ever increasing portion and proportion of the fruits to the labour of others : both of which are, unfortunately, huddled together by Socialists, and included under the mystic term " capital." After pointing out that real capital—i.e., wealth devoted to the production of more wealth—is constantly being consumed and disappearing, whilst spurious capital—special privileges and monopolies—is to-day constantly being created by legislative enactment, and can only disappear with the repeal of the law creating same—Mr. Hirsch continues—

"It is, therefore, obvious that the diagnosis of the social malady upon which the doctrines of Socialism are founded is faulty in the highest degree, and that, therefore, the remedy which it proposes cannot be the true remedy. Making no distinction between real and spurious capital,

between what is permanent and obviously unjust and injurious, and what is ephemeral and has never been proved to be unjust or injurious, it condemns both alike. By combining, under one denomination, these two widely different classes of property, Socialists obscure the action of both, and have, therefore, been unable to see that the relations between labour and the owners of real capital are profoundly affected by the existence of these monopoly rights. That the power which the capitalist possesses over labour is not due to his possession of real capital, but to the weakening of the economic position of labour through the baneful action of monopoly-rights, will be shown in subsequent chapters."

A promise which our author does not fail to carry out in a most thorough and satisfactory manner.

Its Ethical Conceptions

" The conception which Socialism has formed with regard to the relations existing between individuals and the social entity to which they belong," says Mr. Hirsch, "is totally opposed to that formed by Liberalism and Democratic Radicalism, and is practically identical with that prevailing under the despotism of the post-reformation period. Apart from Socialists, it is, at the present time, to be found only among the belated survivals of that period, who march in the rear of English Toryism, or compose the junker-parties of Germany and Austria. It consists in the denial of the existence of abstract or natural human rights, and its converse, the assertion that all individual rights are derived from the State, as well as in the logical deduction from these premises, that any and all such rights may justly be cancelled by the State, if the latter is of the opinion that its interests will be served thereby." . . . "Socialism boldly pronounces judgment against the older standard of industrial ethics, and declares, that not to the labourer who produces it, but to Society collectively, belongs the wealth which any man's labour produces, and that Society has absolute and exclusive proprietary rights in all the produce of individual labour."

Against this reactionary view, against which Democracy for centuries has been unceasingly struggling, and which, however much it may recommend itself to Lord Salisbury, the Sultan of Turkey, the Madhi, or even to the superior young men of the Fabian Society, would be indignantly repudiated by everyone who has any glimmering of the message and mission of Democracy, Mr. Hirsch marshalls a host of facts and arguments which should go far to compel its most bigotted adherent to reconsider and re-examine his position. As he concisely and yet eloquently expresses it, after pointing out the vast gulf separating the claim "to equal possession of desired things," and the claim "to equal opportunities to produce desired things" :—

"Ethics as well as economics show that there is only one true and beneficial system of distribution : the one which, founded on justice, leaves in the possession of every individual all the produce which the exercise of his faculties brings forth, or which others freely surrender to him as a gift or in return for services rendered to them, always provided that no one is granted a greater share than others in the common opportunities to produce or render services without his making full compensation to these others for any loss of opportunity which they may suffer in consequence."

Its Distributive Proposals.

As everyone knows, the industrial proposals of Socialism would substitute collective ownership and management by the community, or rather by duly appointed officials, of the entire business of the community, for private ownership and private control and management. This, of course, would involve the adoption of some artificial or arbitrary system of distributing the products of the industry of the community ; and though Socialists are still far from an agreement as to what would constitute a just system of distribution, which is its animating aim and object, yet there is a growing consensus of opinion, at least among English socialists, that Socialism would involve, not a distribution

according to needs, or according to services rendered, but rather an equal distribution in value, regardless of needs or of services rendered. Socialists make no endeavour to show that this would be just, not even that it would be beneficial, both of which they generally take for granted. Our author, however, after a very close examination of the probable effects of any such course of social action, formulates his conclusions on this vital question as follows :—

"Not only monotonous uniformity, but general poverty, is thus the inevitable result of Socialism. Equality of income will be achieved, at least among the regulated masses. But it will not be done by raising the income of all to a level above that enjoyed by the great majority of the people to-day. On the contrary, the income of all will be reduced to the level of that which is now the lot of those whose condition appeals most strongly for relief. Instead of raising the material condition of this unfortunate minority, Socialism must lower to their level the material condition of all. A monotonous equality in unavoidable poverty will be the condition of the whole people in the socialised state."

Its Social and Political Outcome.

Mr. Hirsch's matured views, based on his searching analysis of socialistic doctrines, of the ultimate social and political outcome of Socialism, may be gathered from the following extracts, with which the present notice of his valuable contribution to social and economic science may well close. He says—

"The great part of the population, all those who do not form part of the regulating hierarchy, will be subjected by Socialism to such regimentation, discipline, and compulsion as prevails in militant organisations. The slow and painful evolution which in the course of centuries has rescued the masses of the people from such a state of subjection ; which has created the comparative freedom for which past generations have gladly ventured

life and fortune; which, superseding authority by individual responsibility, has yielded the opportunity for the moral elevation of man, would thus be turned upon itself. Man would again become part of a social mechanism which, disregarding individual desires and aspirations, would suppress all individuality, personal initiative, and aspiration.

"The ultimate social and political outcome of Socialism must be an all-pervading despotism on the part of the rulers, and a degree of slavery on the part of the ruled masses, such as has not existed in Europe even during the worst times of Roman and mediaeval oppression. The slavery which accompanied Communism in ancient Peru would be reproduced, in an aggravated form, among the nations of Europe. Inevitably the time would come when all initiative, all individuality and patriotism having been crushed out, a catastrophe, like that which destroyed the Inca State, would overwhelm the nation, forming, perhaps, the starting point of a new evolutionary process, by which, through a like apprenticeship as that of the last thousand years, the people might re-arrive at the point at which they now stand, and, choosing a worthier course, would enter upon the road to a wider and truer freedom, from which Socialism endeavours to seduce them."

In brief, like ourselves, Mr. Hirsch holds that the real solution of existing social problems is to be found, not in the sacrifice of such limited and partial freedom as we possess, but rather in its radical extension, until all legalised privileges and monopolies are swept away, and equal freedom, equal opportunities to live, to labour, and to enjoy, are in reality, and not in name only, secured to all. But with this portion of his work we shall deal in our next issue. Sufficient has, we think, been said to show the trend of his thought, and to recommend his book to all interested in the social and political questions of the day.