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CLASH OF ECONOMICS

The Debate Between Congressman Maguire and Job Harriman.

SINGLE TAX VS. SOCIALISM.

Friends of Each Seemed to Be Well Satisfied With Its Outcome.

The debate at Metropolitan Temple last night between the champions of single tax and socialism resulted in a draw.

Congressman James G. Maguire and Job Harriman had each his share of admirers in the big audience of ladies and gentlemen that filled the hall to almost the last seat in the gallery, and the intellectual battle was a joy and a delight to them. It was a mixture of agony and rapture, for at one time Mr. Maguire seemed to have the best of it, and at another it looked as if Mr. Harriman scored some telling points. Both poured hot shot into each other's theories, and when the struggle was over the audience gathered outside on the sidewalk to argue the respective merits of the two schools of social and political economy.

The speakers were introduced and the floor was given to Mr. Maguire for the first twenty minutes' effort. Mr. MacIvor explained the mode of debate, which was that Mr. Harriman was to have twenty minutes in which to reply. Mr. Maguire was to resume for twenty minutes longer, and then Mr. Harriman was to have twenty-five minutes. Finally Mr. Maguire was to have five minutes for a conclusion. Mr. MacIvor read the affirmative as follows:

Affirmed, that the establishment of the following principles would conflict with the science of political economy and the interests of the race: To replace the system of private capital (i.e., the speculative method of production, regulated on behalf of society only by the full competition of private enterprises) by a system of collective capital, that is, by a method of production which would introduce a unified (social or "collective") organization of national labor, on the basis of collective or common ownership of the means of production by all the members of society.

The statement of the "principles" referred to was taken from page 8 of Schaffle's "Quintessence of Socialism," a book that was subsequently referred to more than once. Mr. Maguire came forward and said:

A mighty conflict of thought is now going on in the world, and portends a complete social change as its consequence. Existing social conditions are altogether unsatisfactory. In the course of human progress as it is going on today too many lives are crushed in misery in the struggle for existence; there is too much of injustice; too much of privilege to some and denial of opportunities to

others. Against these ends the spirit of altruism rebels. These conditions must be remodeled so that vice and the evils of which I speak shall be eliminated, or chaos and disaster must be the ultimate end.

In this great conflict there are two schools of thought, opposed to each other, it is true — one that of the socialists, who believe in transforming the entire social system, making the process of production and distribution matters of public function, and the other that of the individualists, who believe in doing away with all privileges and giving to all equal opportunities to do all the good they can. My sympathies, judgment and opinions, are with the latter.

Mr. Harriman is one of the ablest and most sincere and straightforward representatives of his school. Nor would I praise the man and disparage his movement. The socialists are doing a great work for good in the world, although I believe they will never accomplish their ultimate purpose. At present they are directing the attention of mankind to the evils that accompany modern civilization.

The modern socialist is in favor of the collective ownership of all means of production, including all machinery and implements, as well as the natural resources, and an organization of all the members of society in one great industrial army for the production, exchange and distribution of such things as shall best satisfy the wants of mankind. Dauntless Truth struggles onward, and whatever the contest be, will ultimately triumph.

I assert that in all ages of human progress, man's advancement has been along the lines of individual development; that the aggregate result of individual development has gradually brought the race to its present high standard; that there is a differentiation of qualities that can never be brought out save by individual liberty and individual enterprise. Wherever in the world's history any check has been placed upon the natural stimulus and individual development, a period of gradual degeneration has ensued.

If the socialistic system is to be substituted for that of perfect individual action, then every incentive in man to progress will be destroyed and nothing substituted therefor. Selfishness in the form of greed and the disregard of the rights of others should be restrained, but true self interest works to the highest development of the race, and ought not to be destroyed because the present system has allowed some to interfere with and enroach upon the rights of others.

The difficulty with the present system is the displacement of the great body of workers. If these workers had free access to neutral opportunities and found natural employment, monopolies and grinding combinations of capital could not exist.

Socialism proposes to destroy the present system of individual effort because of

the existence of the evil of the greatest monopoly of all — the monopoly of the land of this earth. On the other hand, we propose to do away with the special privileges of one man to own or to hold more than his natural share of natural opportunities, and allow individual civilization to proceed along the lines on which it has progressed thus far. Never yet have the results of socialism justified the claims of its advocates — they have never demonstrated to the satisfaction of one part of the community that every unit was doing its full duty, and every attempt to organize on any other than a natural basis has proved a failure.

Mr. Harriman then took the floor and admitted that Mr. Maguire was correct when he stated that the two schools of thought were working toward the same end, namely, the giving to all of equal opportunities, but he charged all the evils of the present to competition, saying:

Monopolies, corporations, syndicates and trusts are the ripe fruits of competition. I propose to show that this consequence is absolutely inevitable. The reason that monopolization of capital and industry exists is that the combination supersedes and supplants the individual man. The small power must go down before the larger. Corporations are entrenched behind legislation and mold the laws of the land.

I maintain that you can't free the land so that it will not result in competition, and if it does not produce competition it will not solve the problem from the single-tax point of view.

"Labor produces all else," says Henry George; "wages do not come from capital. The surplus of product above what is paid to labor becomes capital; that is to say, capital is unpaid labor."

If this accumulated profit, or unpaid labor called capital, be invested in railroad stocks or machinery my opponent would say it was all right, but let it be invested in land and he would say: "There's the thief. Take from him the unpaid labor he has appropriated." We argue that because of the ramifications of capital throughout the entire industrial and commercial system it belongs to all the community.

Why cannot a man go on a free strip of land from here to New York — some natural highway — and compete in transportation with the Southern Pacific? Because he could not compete with the capital of the Southern Pacific.

Mr. Harriman then argued that the possessor of natural opportunities cannot possibly compete with the possessor of capital, because the latter has invested in machinery, which has so simplified the methods of production and increased and magnified its possibilities that competition is quite out of the question. He continued:

Why not have this vast accretment of labor power taken and used by society in common? The gentleman says it would do away with rivalry. I say it would not. The difference between state socialism and social democracy was explained by Mr. Harriman in favor of the latter. He said he proposed to take away all preponderance of opportunity and privilege and throw it back into the "hands of the people, in which case the individual would become a partner in the social copartnership and take his pro rata of the aggregated product. It would not destroy intellectual aspirations.

Mr. Harriman was a disciple of A. Schaffle and not of Carl Marx, and he quoted as follows from Schaffle's "Quintessence," page 52:

It has been proved that Marx's theory of democratic collectivism — the social democracy — represents an impracticable programme that leads down to economic chaos.

It was against Marx's school that Mr. Maguire said he was contending in particular and not that of Schaffle, and then he told why combinations of capital intrench themselves behind legislation in the following:

How do they do so? Solely by the economic ignorance of the people whose legislation they control. It is begging the question to say that the whole system of society must be overturned and not the vices eradicated simply because such trusts and combinations exist. I assert that when the people shall want to make wise laws no power will prevent them. It is simply a matter of intellectual development.

Combinations, says the gentleman, drive individuals out of production. Of course they do. If labor can prove itself more efficient, why should it not combine? Combination and subdivision of labor are the results of material progress. Voluntary co-operation and enterprise in production and distribution are in perfect accord with the highest development of intellect along individual lines.

Then Mr. Maguire showed the true value of machinery to the race, when properly used, and asked:

Why should men attempt to compete by the slavish work of their hands with machinery that is doing away with the necessity of such slavish work? They try to compete because of starvation on the one hand and the deprivation of natural opportunities on the other. Machinery is really a godsend to diminish the hours of labor and pain of effort. It is true that all the machinery made has not done so because of false systems of ownership and control and the benefits of production have not been properly distributed. At present the landlord gets all the advantages of machinery in cheapened labor, and all the surplus labor is obliged to underbid in the struggle for employment or take a smaller share of the products of labor for its service.

Manifestly the evil is not in the private use of machinery, but in the closing of natural resources.

As to the inability of small land-users to pay the economic rent, which the gentleman says would result from the single tax, I say that economic rent is only that surplus of value which exists after all labor, including its superintendence, has been compensated. If there were no such surplus he would have no tax to pay. Questions of profit and ground rent were then discussed fully by Mr. Maguire and he concluded by saying that if men had freedom of access to natural opportunities and were masters of themselves they would not voluntarily hire themselves out to others.

Mr. Harriman enumerated Mr. Maguire's volleys in his last effort in an analytical manner. To Mr. Maguire's first assertion he replied that he was a Marx socialist and not a Schaffle socialist. "Schaffle," said he, "was not a socialist, but an individualist, like Mr. Maguire, except that he does not believe in the single tax. Scheffel merely criticizes Carl Marx." He proceeded:

The gentleman says that corporations do entrench themselves behind legislation because of economic ignorance. Of course they do; if they were not ignorant they would adopt socialism. [Laughter and applause.]

He says that voluntary co-operation would settle it, but that that is not socialism. I say, too, that it is not socialism, it is what a number of men here and there — like the few hundred in this City — are trying in their Co-operative Commonwealths.

As to Mr. Maguire's views on the relation of machinery, let me say that the man who can control the largest power of machinery could crowd out the small farmer under the single tax. Why, he says that if a farmer could not produce the surplus of value known as economic rent, neither would he have to pay any tax. And I say that neither would he be able to produce anything at all, for he could not possibly compete with his more fortunate neighbor who possessed an abundance of machinery and could produce a great deal of value with little outlay of effort.

The value of a thing is not what you, as an individual, put in a thing, but what society, as a whole, puts into it. If society upon a large ranch and with a large machine could produce wheat at 60 cents a bushel, you, if you were not able to produce it as cheap would have to go to the wall.

The reason labor does not combine voluntarily and take possession of the machine is because they are not able to take advantage of the surplus profit of labor.

I do not say that machines are evils. Socialists do not believe anything of the kind. I have simply been standing here trying to tell you that if you do not take advantage of these machines they will crush you, but if you do take advantage of

them you can reduce your hours of toil and enjoy a greater amount of social product.

Men employ other men because they want to make a profit off them. I do not say that men hire themselves to others simply to give the others a profit.

Mr. Maguire may say that we are going to compel men to co-operate. Do you not see that we are already compelled?

What we propose to do is to co-operate and to own anything — all the machinery, and watch the wheels go round. Do you think the brooks would cease to babble or the birds refuse to sing because you take your hand from your brother's throat? He has told you that he proposes to continue competition. From that we dissent. It is competition in producing value and in transporting that value to market, and if you can't compete you must go, and the ability to compete will always be against you, and the surplus of value over and above what is necessary to pay the hire of labor will be used against you in combinations of capital, such as trusts and monopolies.

In his five minutes' conclusion Mr. Maguire indulged in some irony at the expense of the socialistic plan, saying:

We would free you without compulsion. I would not like to see Mr. Edison put to driving a streetcar, or a Shakespeare compelled to keep books simply because society thought that was the best work for them to do. I wouldn't have men determined in any way save by their own judgment and tastes. Neither would I have the tastes of dress left to the State's determination — as to what kind of cloth we should wear and how it should be spotted.

If he were looking for mere bread and butter alone for the human race, said he, socialism would be the method he would advocate, and he remarked that under socialism one-half the race would be shirking while the other half would be trying to compel it to work along unnatural lines.

It would reduce all humanity to a dead level of inertia, he added, as a clincher.