

GEORGE THE GREAT!

HENRY George's teachings involved more than the prescription of specific remedies for particular evils. The specific remedies which he proposed were means to an end. The end was the philosophy of freedom as applied to human relations.

I do not say that the majority of the people of the world have given acceptance to many of his most important teachings. Indeed, in view of the world tendency since his death to aggrandize the powers of the political state and limit and subordinate the power of the people, it is self-evident that in this environment the principles of Henry George could not have won general acceptance. Had they done so, the world would have made greater progress toward the attainment of the goal of human freedom and economic contentment which is still the unrealized aspiration of humanity.

Moreover, many who have believed in the necessity for basic social changes preferred to ignore the simple and fundamental teachings of Henry George, and to adopt, instead, the philosophy of Marx and Lenin. It is the wide acceptance of the doctrines of these false prophets which has contributed to making the economic condition of the masses worse; has reduced their standard of living and has made of Europe an armed camp. It is their disciples who are now attempting to introduce here the political and economic theories which in other countries have culminated in the totalitarian state, together with the host of iniquities which are inseparably connected with it.

Henry George never wrote a line which could be tortured into the support of the principles of the totalitarian state, or that gave sanction to the theory that men in their individual and social activities should be regimented and directed by great bureaucracies such as all our modern states, including our so-called democracies, have set up.

Henry George believed in the state, but it was a state that was the servant, not the master, of the people: a state that was to be

**Word by word
..... the verdict
delivered by a
fearless New
York judge**

• **AS THE former socialist countries of the east search for a new role model, and as the market democracies of the west enter yet another phase of economic instability, the time has come to re-examine the philosophy that has been waiting in the wings.**

• **Henry George campaigned to reverse the drift of 19th century history. His failure was the world's loss. But the principles he elaborated in a string of best-selling books on social and economic problems remain relevant, waiting for the call of destiny.**

• **Samuel Seabury, a New York judge, was an articulate exponent of that philosophy. Judge Seabury campaigned fearlessly against corruption in his city, first heading an inquiry into corruption in the magistrates' courts and then serving as chief counsel for an investigation into graft in government.**

• **In this slightly edited essay, delivered in New York on September 2, 1939, Judge Seabury locates the Georgist vision in the forefront of any principled programme of social and economic reform.**



kept within bounds, and whose powers were strictly limited and to be exercised in subordination to the will of the people - a state, in short, such as is defined in our national and state constitutions.

MACHIAVELLI and Hobbes in their writings expressed the foundations for despotism, and disclosed the cruelties, subtleties and deceits by which alone a despotism can be achieved.

Marx and Lenin, because of their belief that the rights of the individual were fictional rather than real, built upon those principles of Machiavelli and Hobbes which constitute the foundation of the modern totalitarian state. The whole idea of the totalitarian state, whether it finds expression in a system of

fascism, either of the Italian or the German variety, or in the equally odious system of a dictatorship of the proletariat, rests upon a disregard of fundamental human rights and the substitution of an autocratic will for the encouragement of individual initiative among the people.

The tragic menace implicit in the despotism of the totalitarian state, which makes it an offense to God and man, is its claim of absolutism to crush the individuality and destroy the conscience of men.

The principles of freedom enunciated by Henry George are utterly inconsistent with the Marxian creed which ends in state socialism or in the totalitarian state, in principle identical with it. Indeed, the great French economist, Charles Gide, in his lecture on the

cooperative program, contrasts a voluntary cooperative system, which retains individual initiative as the basis of all economic activity and preserves of invention and creation, with state socialism, which is proving daily more sterile both in economic production and in affording protection to public and private freedom.

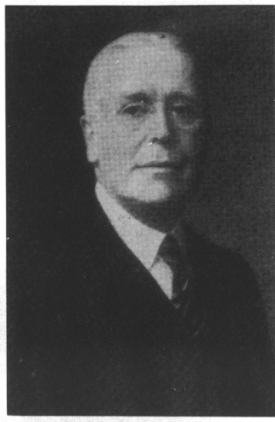
We must not delude ourselves with the belief that the great battle now going on between the dictatorships and the so-called democracies is merely a matter of the nominal form of government. It is not. The difference is much more fundamental. Opposing and diametrically opposite philosophies confront one another. The contest is between the philosophy of dictatorship and the philosophy of freedom.

Irrespective of the name we give our form of government, or the method by which we choose its administrators, the philosophy of freedom cannot be realized unless the world recognizes the common rights of men in the resources of nature, unless it recognizes the right of every people to trade with other peoples, unless it safeguards the individual rights of life, liberty and property and unless it insures tolerance of opinion.

These principles are the essential life-giving attributes of freedom: without them there can be no civilization in the sense in which that term is used by a free people.

The modern world is so closely knit together by reason of the new inventions which have eliminated distance and made communication easy, that a world divided against itself cannot stand.

The issue is vital to the welfare of mankind. The conclusion of the coming struggle cannot be forecast with certainty. Often before in the world's history, opposing and mutually destructive philosophies of life have



• Judge Seabury, from the portrait by Alfred Hoen

clashed. One of these ways of life must prevail over the other.

If the rule of despotism shall triumph by the use of modern armaments - and if it triumphs it can only be resort to these agencies of destruction, because the rule of reason and justice is necessarily outlawed in every despotism - then the light of our civilization may be extinguished and mankind may for a long night relapse into barbarism.

But if we shall be true to the philosophy of freedom; if we shall make our democracies in fact democratic, so that they shall express and recognize the principles of freedom, no dictatorship can prevail over us or destroy our civilization, and in this age of marvelous invention, with its capacity to produce wealth in abundance, force the people of the world to adopt a lower standard of economic social life.

THE MOST serious threat to democracy which exists is that the democracies themselves have not as yet achieved social justice for their own people. If they would achieve it, they would have nothing to fear from the dictatorship states. In this

country we have approximately eleven million unemployed and are now in the tenth year of an acute economic depression. We certainly cannot claim to have achieved social justice.

True, we offer many advantages over what the despotisms offer, but in any country people will submit to regimentation and political and social despotism rather than go without food and shelter. In such circumstances, ignorant of the value of the liberty they surrender, they will sell their birthright for a mess of pottage.

Instead of addressing ourselves seriously to the task of establishing social justice - the most momentous task which has ever confronted this country in all its history - we have wasted our energies and resources in adopting shallow and superficial measures not in harmony with the realities of social life and which ignore its natural laws; erecting great bureaucracies which have attempted to regiment our people, while the mass of regulations which they have prescribed have served only to demoralize industry, prevent its recovery and obstruct the cooperation between labor, capital and consumer which the interests of all require.

As we look at the complications of our social and economic system, no fair-minded student can avoid the conclusion that many of the principles which Henry George expressed are applicable to it. The philosophy of Henry George is so far-reaching in its implications that hardly any accurate conception of it can be gathered from such brief remarks as are appropriate to an occasion like that which brings us together today.

It is, therefore, possible to refer to only three fundamental

Continued on Page 60 ►

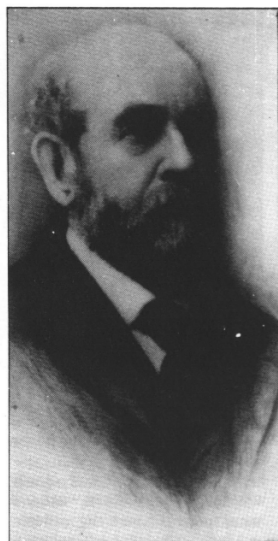
principles which Henry George enunciated, and which are as vital and important in our world of today as they were at the time that he affirmed them. Indeed, if we try to envision "The World of Tomorrow," I have no hesitation in saying that if the world of tomorrow is to be a civilized world, and not a world which has relapsed into barbarism, it can be so only by applying the principles of freedom which Henry George taught. The principles to which I refer are:

EQUAL RIGHTS TO RESOURCES

First, that men have equal rights in natural resources, and that these rights may find recognition in a system which gives effect to the distinction between what is justly private property because it has relation to individual initiative and is the creation of labor and capital, and what is public property because it is either a part of the natural resources of the country, whose value is created by the presence of the community, or is founded upon some governmental privilege or franchise.

Henry George believed in an order of society in which monopoly should be abolished as a means of private profit. The substitution of state monopoly for private monopoly will not better the situation. It ignores the fact that even, where a utility is a natural monopoly which must be operated in the public interests, it should be operated as a result of cooperation between the representatives of labor, capital and consumers, and not by the politicians who control the political state.

We should never lose sight of the fact that all monopolies are created and perpetuated by state laws. If the states wish seriously to abolish monopoly, they can



• Henry George

do so by withdrawing their privileges; but they cannot grant the privileges which make monopoly inevitable and avoid the consequences by invoking anti-trust laws against them.

It is strange that the state, which has assumed all sorts of functions which it cannot with advantage perform, still persists in neglecting a vital function which it should and can perform - the function of collecting public revenues, as far as possible, from those who reap the benefits of natural resources.

In view of public and social needs, it is remarkable that no effort has been made by governments to reduce the tax burdens on labor and capital, which are engaged in increasing production, by transferring them to those who restrict production by making monopoly privileges special to themselves.

FREEDOM TO TRADE

The second principle to which I wish to refer is Henry George's

advocacy of freedom of trade among the nations - not free trade introduced over-night, but freedom of trade as an end toward which the nations should move. When he wrote his great work on *Protection or Free Trade*, he demolished the protectionist argument and in chapter after chapter he showed the absurdities to which the protectionist principle led if carried to its logical conclusion.

But even he, penetrating as his vision was, could not foresee that mankind was heading for a world order of economic nationalism and isolation, based upon the principle of protection carried to its utmost extreme. And yet that it precisely the doctrine which is now currently accepted. If it becomes general, it can serve only to sow the seeds of destruction of that measure of civilization which we now have and force a lowering of the standard of living throughout the world.

There are two ways by which the people of one nation can acquire the property or goods of the people of another nation. These are by war and by trade. There are no other methods. The present tendency among civilized people to outlaw trade must drive the states which prescribe such outlawry to acquire the property and goods of other peoples by war.

Early in man's struggle for existence the resort to war was the common method adopted. With the advancement of civilization men resorted to trade as a practical substitute for war. The masses of men wish to trade with one another. The action of the states alone prevent them from so doing.

In prohibiting trade, the state gives an importance to territorial boundaries which would not exist if freedom of trade existed. In accentuating the importance of mere boundary dis-

puts, rather than assuring the right of peoples to trade with one another, the nations put the emphasis upon the precise issue which is, itself, one of the most prolific causes of war.

All the great modern states are turning away from freedom of trade, and indeed, from trade itself, and forbidding their people the right to earn their own livelihood and to associate freely with one another in industry. In order to accomplish this end they are compelled to regiment the lives of their people under state bureaucracies and his can be accomplished only by a despotic state.

If the powers of the modern states are to be augmented by conferring upon them the right to run all industry, despotism is inevitable. A dictator may, by reducing the standard of living and regimenting the people, run all industry within the state over which he rules, but a democracy, which, if it is to be true to itself,

must preserve individual initiative, can not do so without transforming itself into a dictatorship.

BANISH POLITICAL CORRUPTION

The third great principle which Henry George gave his life to promote was the necessity for government, especially in democracies, to free its processes from the influence of corruption. Indeed, in the great municipal campaign in New York City in 1897, Henry George waged a relentless warfare upon the corruption in both the Democratic and Republican parties of that day. The people of New York flocked to his standard. He had stirred them to their very depths; but his physical strength was not as strong as his indomitable spirit, and a few days before Election Day of that year, after three wonderful speeches the night before calling upon the

people of New York City to free themselves and their city from the corruption which debased and degraded them, he died.

He laid down his life in that great campaign - the corruptionists won that battle, but his leadership in this direction generated a spirit which has asserted itself many times since then, and Henry George's stirring words in that memorable campaign made an impression upon many of the young men of that day who had been proud to enlist under his banner.

Since that glorious but tragic battle the spirit and the ideas embodied in Henry George's philosophy of freedom have gone marching on. Throughout the world he is known and his influence is profoundly felt. The truths which he enunciated have not yet been adopted, but they can never be forgotten. Those of us who believe in the Democratic ideal believe that they will triumph.

1992 AND ALL THAT ...

◀ From Page 53

residential land and land zoned for residential use. Second, it would be indexed annually to local land prices indices. Third, it would be collected by the Inland Revenue with the rates of tax being set nationally at uniform levels.

"Such a tax would have the major macroeconomic benefit of preventing house and land price to income ratios from beginning their upward march once again when interest rates eventually come down.

"It would permanently prevent the sort of overshoot in this dominant form of personal wealth, which has done so much

damage in the last three years, both by reducing the housing wealth/income ratio and by dampening down the dynamic process we have analysed. It would therefore make it possible to run the British economy with permanently lower interest rates, thus stimulating business investment."

Muellbauer recognizes that this fiscal reform would have enormous knock-on benefits - for example, permitting the reduction of taxes on business, and ensuring balanced growth as between the regions, as well as "recouping to the Treasury part of the benefits accruing to landowners of public investment projects."

The proposal to tax the

annual rental value of land is crucial, but ought to be generalised to encompass all land.

Britain, like other industrialised countries, is now beginning to suffer from the boom in the price of commercial and industrial land. Retailers facing rent reviews have already begun to close down their businesses; but we can expect to see a sudden increase in vacant office blocks, too, as the property speculators discover they have over-reached themselves.

But while John Muellbauer's proposal may be a partial one, it is a vital first step in the correct direction. It remains to be seen whether his colleagues also see the light, come the depression of 1992.