

Georgism and Decentralism By MILDRED JENSEN LOOMIS

MUCH AS WE deplore the use of "ism," those three letters when attached to a root word, help identify an ideology or set of ideas. To me, Georgism means the fundamental analysis of economic realities which Henry George made—his differentiation between land and capital, his statement of the laws of rent and wages, his suggestion that site-rent go for public use while all labor products be reserved for private ownership of individual producers. Though it stands as a negation to the current trend of Centralization, Decentralism is likewise a positive philosophy and practice.

"Centralization," says Ralph Borsodi, whose name is most often linked with specific definition of centralization and decentralization, "is that method of planned action in which control of any activities—industrial, financial, educational, political or religious—of individuals or of the people as a whole, is concentrated in the hands of fewer and fewer people. Decentralization is that method of implementing human aspirations in which individuals satisfy their wants as far as possible through *personal action* (including that of the family) and rely as little as possible upon group action and institutions for their satisfaction."

Most Georgists will sense and agree with the underlying principle of individual liberty which Decentralists thus put foremost. But they will doubtless quickly note that Decentralists put less stress on group action than do Georgists. Decentralists, for the most part, favor a culture in which a majority of people have some part in primary production—in the creation of their own food, clothing and shelter. My understanding of the teaching of most current Georgist leaders is that they do not question (as George did not, in *Progress and Poverty*) an almost limitless specialization of labor and an almost endless labyrinth of exchange. True, people could escape the dehumanizing aspects—the monotonous factory assembly lines and uncreative transporting of goods—if free land and full competition existed, but this does not obviate what seems to the convinced Decentralist an over-emphasis from many Georgists on "group action." From George's statement that three or a hundred people working together can produce more than three or a hundred working alone, has resulted a wholesale and unquestioning insistence on three or a hundred combining in the production of *everything*. Even milk, bread and butter, where both experience and research prove it is more efficient—on the hard basis of cost as well as concomitant satisfactions—to implement the desires for these necessities in the Decentralist way—"through direct personal action, relying as little as possible upon group action and institutions."

My former faith in what I now term *over-specialization*, was one deposit of a college major in economics which George's fundamental economics did not upset. But the Borsodi School of Living and seven years of decentralist home-production have shown that high diversification and much exchange, for many things, is not efficient in terms of cost, nor desirable in terms of freedom. For instance, I have produced hundreds of pounds of nutritious whole wheat bread at less than 3 cents a loaf,

when under the "institutional, group action, diversified-labor system" it was selling for 11 and 12 cents. We grind our own wheat in an inexpensive electric mill, knead the dough in an electric mixer and bake it in an electric oven. When prices were "average," we entered the cost of the wheat at 2 cents a pound, added cost of all other materials, figured in depreciation, interest and overhead, taxes, etc. Actual labor is only the proportionate share of the few minutes needed to assemble materials.

Granted that the price of commercial baker's bread is loaded with taxes and monopoly items which George's system would eradicate, but so are the costs of our mill, motor mixer and stove which we pro-rate to each loaf we produce. However, our loaves do not carry advertising, selling, transporting and a dozen other costs inherent in the mass production of bread. Our mechanical equipment is, of course, the result of specialization in labor, which Decentralists approve. All we ask is that we decentralize into personal family action all those activities like production of food-stuff, most clothing and other items, totaling almost two-thirds of the average family's budget, which modern technology and electricity make more efficient there than in the exchange system.

Moreover, the Decentralist doesn't reckon simply with cold cash as the only cost of a productive activity. He rates high, as any realist must, the inevitable social, esthetic and character-forming aspects of all "economic" activities. Granting that "only individuals exist," the Decentralist plans for himself the day by day life which involves the largest area of actual significant decisions which he himself must make. Viewed from the needs of a whole life-span—including that of the small child and of the aged persons—the productive, self-sustained farmstead offers a greater number of such choices than almost any other place. Elbow-room is an essential to the Decentralist type of freedom. We feel the need to move from an environment in which people are so inter-dependent that no one of us can take any action which does not affect the others, and so subjects us all to some common and restricting regulation. Because of these and other considerations, the Decentralist movement centers in a rural emphasis, which generally speaking, is absent from the thinking of many Georgists.

Decentralists also take exception to the implications in George's famous dictum, "Human desires are never satisfied." Too often this means that if one has an ice-cream cone, a suit of clothes, an automobile, or a home, it therefore follows one will want ten ice cream cones, six suits, a speedier car or an ever larger home, and that life is "better" if that be accomplished. The fact is that human beings are distinguished from animals in possessing reason—the ability to reflect on, alter and direct desire. Human desires are, and always have been, subject to "influence." Decentralists suggest that desires be educated in relations to "norms" or standards which will issue in the fullest development of all the capacities in the human personality. These capacities, they maintain—the biological, manual, ethical, intellectual, artistic, psychological capacities—find an essential environment

and adequate stimulus for full, rounded development in the well-equipped family homestead; in the direct production of the simple necessities of food, clothing and shelter, plus the health, recreational and cultural effects which result.

Georgism and Decentralism are together in wanting to limit government to (1) guaranteeing equal opportunity and (2) protecting life and property. Many Decentralists—not all—see the public collection of site-rent as a prerequisite to equal opportunity. But the Decentralists who have given most thought to this are not satisfied with the vague Georgist concept that "government" should collect the rent. Too often this denotes or implies the *federal* government, and this to a Decentralist is anathema. Decentralists reject centralized government for even so good an end as collecting site-rent. They insist that only in *small* government units—the local, face-to-face communities—will justice be sure and democracy approximated. They therefore promote the organization in each local community or township, of a Land Association to administer surface land and its rent. Site-value of rivers, harbors and forests should be regionally administered, and the site-value of oil, ores and minerals go to a *world* trust fund.

The word, decentralization, is coming into common usage. A growing number of agencies are forming to foster some resistance to increasing regimentation, urbanism and centralization. Some of these have definitely participated in the two-year-old National Decentralist Conference, an informal association for the exchange and integration of the various ideas which motivate them. To suggest that the word "Decentralism" has, as yet, the same meaning to all of them, or that it means all that has been discussed here, would be misleading. Some groups are fostering primarily the decentralization of industry—the physical removal of plant and equipment from large urban centers to the open country or small towns; some are working to enliven the small communities; others are against the chain store and seeking legislation to protect small business men; many are fostering the diversified farm, the productive home and the modern homestead; some are most concerned with the conservation of the soil, and the building of human health through proper soil and food culture. For the most part, the cooperatives which seek to bring business into the hands of the consumer or producer are decentralist; several which make their special emphasis on eradicating the monopoly in money and currency are included, and certainly the Georgists belong in this group, though many will never have heard the term decentralism.

To bring them all together—to enable each one to realize that theirs is but a partial answer—and to focus the energy of all to a sufficiently intelligent program to meet the crisis of our time is the function of the Decentralist Conference. It is in that group that Georgists can make a real contribution by sharing their findings, and by learning from the others what is being undertaken. In due time the Decentralist Conference can become the *action program* for every person who loves liberty and wants to restore responsibility.