

## Governments and the People

By HENRY WARE ALLEN

IN every age of history there has been a strong contrast between the behavior of governments and the behavior of the people governed. As a result of the salutary influence of religion and culture upon the individual citizen this contrast has now, perhaps, become greater than ever before. If it be true that corporations have no souls, then it must follow that governments, the greatest of all corporations, having no respect for any higher power and no fear of punishment have been able to operate upon the premise that might is right. And it should be remembered that corporations are much more individualistic and therefore more personally responsible than are governments, particularly the larger ones. For corporations are in a great degree amenable to the rule that honesty is the best policy and society benefits accordingly. Their prosperity if not their very existence is regulated by the beneficent law of competition.

The case is different with governments, for they do not have to depend upon financial profits resulting from good management, they have to pay no taxes, and are not supervised with inquisitorial zeal by any higher authority. Governments do not keep their books by double-entry and have no concern over profit or loss. Their tendency is always toward greater expense and extravagance with resulting heavier taxes upon the people. Governments are not influenced by those considerations which apply in greater or less degree to corporations and to the individual for the regulation of good conduct and sound citizenship. Governments, on the other hand, have usually been guided in their destinies by rulers and diplomats with selfish ambitions and unscrupulous methods. The record of every known government provides ample testimony to this. History is replete with the records of bloody wars in which the participants not only had no rightful interest but no real interest of any kind.

Discipline is a necessary condition of survival in primitive and modern civilization alike and in consequence of this it is natural for all men to obey their rulers. Particularly where the government has been of a religious character as in the days of Moses or where there has been a union of Church and State, a peculiar sanctity has been added to all governmental edicts leading to the conclusion that the King can do no wrong. This has made it possible for tyrants to increase, insidiously, their power at the expense of the governed.

Considering the matter in its larger aspect we behold a world provided by a beneficent Creator with abundant natural riches of all kinds available for the use of man simply by the exercise of that intelligence with which he is endowed, with ample room for all, so that there is not today, nor has there ever been any valid excuse for the encroachment of one people upon another, nor for the

tyranny exercised by governments upon the people. It is therefore only reasonable to believe that the Creator assumed, in view of all that He had provided for the needs, the comfort, and the happiness of mankind, that men would naturally live together in peace and harmony, with goodwill toward one another.

Concentrating our attention upon the civilized world of today, composed as it largely is of men highly skilled in the arts and sciences and personally animated by nothing less than goodwill to their neighbors and actuated by the principle of live and let live, we find governments sacrificing their people in relentless warfare waged upon others for the purpose of securing by flagrant robbery and murder, territory and property which might have been legitimately secured by purchase with far less expenditure than was made necessary by warfare to say nothing of the frightful loss of life suffered on both sides, by men who otherwise might have been good citizens if not, indeed, men of distinction. Other governments, animated by equal tyranny, are today terrorizing and expatriating hundreds of thousands of their own peace-abiding citizens for no other reason excepting those of racial and religious bigotry, and at least one other great government is murdering thousands of its more intelligent citizens upon suspicion that they have been disloyal to or are planning to overthrow that government. In all these countries the unalienable right of life, liberty, and the pursuit of happiness by the exercise of freedom of the press and of free speech has been denied, two great governments having also deprived the people of the right to worship God as they pleased, while between all these countries their governments have erected huge tariff walls having the direct effect of increasing the cost of all commodities, of depriving many of the necessities of life, and of creating intergovernmental antagonism, discord, and hatred.

But it is neither necessary to our contention nor is it fair for us to concentrate our attention elsewhere when there is so much to criticize and to remedy in the misbehavior of government right here in the United States. Our own government has been more or less guilty of most of the crimes which have appeared to us so great in other governments.

It has been truly said that every great institution is the shadow of some great mind. And it is equally true that as a rule, the employees of every business institution reflect the personality, the character and the attitude of the head of the firm. In line with this idea it is equally true that the character of any government is reflected in great degree upon the people under that government. To the degree to which the government is honorable and just will that influence be reflected upon that people, and if the government habitually breaks the moral code, the effect upon the people cannot be other than bad. An example has been set which naturally will be followed.

At a time, therefore, when crime is steadily on the increase may we not place a large portion of the blame against a government which systematically diverts public revenue to private individuals without compensation, and at the same time employs a system of taxation which is essentially a system of robbery from first to last.

We have only to make a comparison between the right way employed by individual citizens in their relations one to another with the method employed by governments to demonstrate how criminally wrong is the latter. For example, suppose merchants should fix their prices in accordance with the ability to pay, how quickly would the procedure be condemned as both wrong and absurd, yet that is precisely the time-honored method employed by governments in raising a large share of its revenue. The rule that should be followed is, of course, for the government to impose the tax, just as the merchant fixes a price, in accordance with the value of the merchandise or of the services rendered. Fortunately, this is accurately registered by land values.

Other comparisons may serve to illustrate the absurdity of many governmental practices. Suppose, for example, that Mr. Jones observes that his neighbor across the street is in an angry, sullen mood. He immediately provides himself with a big revolver. His neighbor across the street observing this, in order to be well prepared, provides himself with two revolvers. This goes on until both men provide themselves with a bodyguard whenever venturing out of the house. Most likely some violence will ensue although both men were good neighbors without any possible excuse for trouble until the irrational idea of armament suggested itself. Again, let us suppose that cities and towns should adopt from the federal government the absurd system of protective tariffs. All men would then be penalized for the crime of bringing wealth into their respective communities. Men would not be allowed to trade with others across the street but only with merchants in the same block. Commerce, one of the great factors for the creation of wealth by the simple method of transporting merchandise from where it has smaller value to where it has greater value, would then be stigmatized as unpatriotic unless the trading was limited to restricted areas. To provide for this accomplishment a new army of tax gatherers and inquisitorial inspectors to be supported by new taxes would have to be created.

The nearest simile to the operation of the income tax to be found in the daily life of the people is the philosophy and procedure of the highway robber. Like the government he does not pretend to give to his victims the equivalent of what he takes. His principal idea is to discover where there is wealth and then to go and get it, the only difference being that the highwayman takes all he can get while the government merely takes all that the traffic

will bear by permitting the victim to recoup himself for similar experiences in after years.

Double taxation is now paid, first to the landlord and secondly to the government. Ordinary taxes are the equivalent of just so many penalties upon the right to transact business. They act as just so much sand thrown into the delicate mechanism of commerce. It is exactly as though these taxes were imposed by some enemy of mankind who was aiming to destroy prosperity, and they have precisely that effect. It is necessary, therefore, in order that a government shall be properly reformed that its system of taxation shall be so changed that it will harmonize perfectly with the demands of ethics and that it be made to conform to natural law.

The evil tendency of government to appropriate to itself abnormal power was thoroughly understood by the founders of our nation and particularly by Jefferson, who more than anyone else was the founder of American democracy. More than anyone else he knew that eternal vigilance is the price of our liberty and he illustrated this vigilance during his first term as President when he reduced the number of Federal office holders fifty per cent. He demonstrated that the best government is that which governs least.

This tendency of government to exceed its normal function, to exercise tyrannical power, and to violate the moral law can be traced to a similar propensity in society where men have combined their united force in order to secure illegitimate results. Gangs of boys habitually commit acts of vandalism which no member of the gang would be guilty of as an individual, and groups of men comprising mobs will destroy property and take human life in complete disregard of the moral law which no member of the mob would think of doing or dare to do of his own initiative.

Religious organizations, family discipline and the other salutary influences of modern civilization have accomplished a fairly good task in training men to behave themselves with due regard to the rights of others. Governments, on the other hand, have not had the benefit of any discipline whatsoever. They have had license to do about as they please in accordance with the supposition that might makes right and that any means are justified by the desired end. It is to the founders of the science of political economy, such men as Adam Smith, Rousseau, Ricardo, Herbert Spencer, John Stuart Mill and Henry George that the world is indebted for having formulated for practical use the right rules for governmental behavior. It is to the disgrace of civilization that these rules have been so universally disregarded up to the present time by the Church, by our schools and colleges and by our legislators.

A frequently stated fallacy is the pronouncement of Christian ministers that men would be prosperous and

that peace would prevail throughout the world if men would only accept and practice the tenets of Christianity. This idea is true only if sound principles of political economy are applied in all the activities of government. In fact, the personal piety of individuals will count for little as a factor for social justice when compared to the beneficent effects of the right behavior of government under the dominion of political economy intelligently enforced.

## A Sentence Explained

"WE MUST MAKE LAND COMMON PROPERTY"

BY FRANK CHODOROV

AMONG followers of Henry George this sentence is perhaps the most argued about, the most explained. And yet, not only is it italicized in "Progress and Poverty" as the only remedy for the social problem of poverty, but in one form or another the thought is repeated in all of George's books. It is known that even during his lifetime the discussion raged as to the appropriateness or advisability of so phrasing the remedy. And yet these arguments seemed not to have influenced his logical mind, for in his last book, the "Science of Political Economy," he again arrives at the conclusion that private property in land must be abolished.

Taken in conjunction with his theory of property, the firmness with which he clung to this conviction is easily understood. The only ethical basis for private property is production. Since land cannot be produced, title to it cannot be founded on ethical grounds, and can be explained only in terms of force, or robbery. Even the argument that private property in land is expedient must admit that social sanction is necessary to the existence of the institution, and that means force.

Now, ownership consists of the enjoyment of the exchange value as well as the use value of things. A soldier does not own his uniform because he has exclusive use of it while he is in the army; it is always government property. To say that I own the size, color, cloth and buttons of the shirt I wear, but have not the right to sell the shirt, is to say that I do not own it. Likewise, to say that I own land because I enjoy exclusive use of it is to employ a euphemism. The tenant farmer does not own his farm—which would be true also if his tenancy were based on a lease from the government, or upon the mere payment of annual rent to the community.

Only the one who has the right to sell a thing is the owner of it. Particularly is this so with a privilege, which has no use value whatsoever. If I have a patent which I lease out on a royalty basis it is the privilege of collecting this royalty that is the substance of my ownership of the patent. Likewise, the privilege of collecting rent, or the capitalized rent, is the essence of my owner-

ship in the land. To deprive me of that privilege is to abolish my ownership.

If the dividends on a bond which I hold are and always will be paid to another person, can I be said to own the bond? True, I can use it for wall paper; but in that case it is merely a piece of paper, not a bond, as far as I am concerned. Only if I receive some portion, if not all, of the dividends which are paid on the bond is it mine; in that case I can capitalize the yield and sell the bond.

Similarly, ownership of land consists only of the legal right to collect the rent it yields, which necessarily implies the power to transfer this legal right. When this privilege is denied to me my ownership of land ceases, even though my tenure in usufruct remains secure. The owner of a skyscraper on leased land does not own the land, even though he has a 99-year lease on it, because he cannot collect rent and he cannot sell the site. If he pays a fixed rent, and if this is less than its economic rent, to the extent that he collects this difference he becomes a part owner.

It is evident that public collection of rent is the denial of private property in land. Private use of land is quite another thing. And it can be conclusively shown that private use would be more secure if rent were publicly collected. But George's emphatic repetition, in one form or another, of the idea that private property in land is indefensible indicates that he clearly identified exchange value as the essence of private property in land.

Furthermore, if private property in land is unethical then the private collection of rent, which is the substance of the ownership, is likewise unethical. A philosophical question as to the right of society to rent then arises. If no one individually can rightfully claim rent as his own, can a group of individuals rightfully claim it?

The usual ethical argument for the public collection of rent is that it is a socially created value. To which comes the specious rejoinder, from collectivists, that all values are socially created. Which is not true. The discussion of the difference between privately and publicly created values hinges much on the meaning of terms, and is usually quite fruitless because both the individualist and the collectivist cannot agree on their definitions, having their separate conclusions in mind.

But, the argument that the public is entitled to the rent of land because rent is by its nature public property is irrefutable. The very fact that land is not produced by man gives it a character that nothing else in the world has. And, whether we accept the story of creation in Genesis or not, whether we identify God with Jehovah or with nature, our common ownership of the earth must rest on our common need of it. Public ownership of the land therefore is ultimately based on the fact that land is necessary to life.

Thus, public collection of rent is justified by the vested right of the public in the land.