

CHAPTER 8

Government and Property

AS EVERYONE KNOWS, an analogy is neither evidence nor proof. And yet, since Aristotle it has been common practice among political scientists to call upon an analogy to support a theory of the origin of Government; namely, that Government grew out of the organization of the family. There is, of course, no historical evidence of a cause-and-effect relationship between the two institutions; all that we have is an unproven hypothesis, resting on an assumed similarity between parental authority and Government authority. The hypothesis disproves itself, however, when the biological factor in parental authority is taken into consideration. The child looks to the parent for guidance simply because of the inadequacies and insecurity of childhood, and seeks or accepts authority as a matter of necessity. Government has no such claim on its citizenry, nor is loyalty to it in any way analogous to filial devotion. Even the father-son relationship alters in character as the offspring reaches maturity and attains self-sufficiency, a relationship in which authority diminishes and disappears; the citizen's allegiance to Government is unrelated to his age or to his ability to take care of himself. Neat as the analogy is, it does not bear up under analysis and one must look elsewhere for some explanation of the phenomenon of Government.

We get some hint as to the reason for Government when we look to the emergence of this institution from embryonic Society, the one that sprang up on our western frontier. In the beginning, when our pioneers settled down to the business of making a living in the wilderness, the minuscule Society got along without any organized authority. The best there was, was individual authority, as represented by the gun which each pioneer kept at hand. To be sure, the primary function of this instrument was that of capital, a tool to facilitate the securing of food for the table or pelts for the wardrobe. Its use, however, was not confined to this productive purpose; when occasion arose, the pioneer resorted to it to protect life and property, and when so used the purpose was to oppose his will to that of the depredator. It was his authority against that of another.

Government is authority, and authority, in this sense, is the imposition of one's will on that of another, so as to induce behavior deemed desirable or to prevent behavior deemed undesirable. Regardless of the form of Government, whether the authority is exercised by a chief or a monarch or an elected official, whether the purpose is to satisfy his whim or to enforce a law, whether or not it has the sanction of public opinion, the action itself is the opposition of volition against volition. And even though the authority is accepted and readily complied with, it is the use or threat of force that gives authority its substance. Therefore, when the frontiersman made use of his gun to thwart the purposes of a depredator he was in effect acting as Government; he was exercising such force as he had at his disposal to compel compliance with his will.

He was protecting life and property. The value the individual puts on life is instinctive and primordial, and his

concern with its preservation needs no other explanation. But why his interest in property, with something outside of him? Why does he endanger his life or undergo hardship in order to keep and enjoy property? That calls for a definition of property and an understanding of the individual's relationship to it, which we will take up later. For the present, we need only observe that organized Government does not make its appearance until property becomes a factor in social integrations, and its authority is called upon more and more as property becomes more important in the pursuit of happiness; hence the concept of Government and the concept of property are interrelated. Would there be any need for Government if the individual had no sense of property, no concern with ownership?

The primary concern of the pioneer is with production; the need for disengaging himself from production to pursue some protective enterprise is a nuisance; there is no profit in it. The time and effort put into policing the competence piled up in his barn and pantry could be better employed, and the thought occurs to him that it would be more profitable for him to turn over his gun, his instrument of authority, to a specialist in its use. His neighbors are of like mind. Sad experience has taught them that the abundances they have accumulated are a magnet for people who seek to satisfy their desires with no investment of toil, and the concern of each with his property becomes a common concern. Thus comes the posse and the vigilante committee, the instrument of collective security. The essential feature of this instrument is the use of force to prevent behavior inimical to their business of making a living. That is Government. It is a social service established by the members of the community to do that which each would do for himself if he could, and

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which he is compelled to do for himself before there are a sufficient number of producers in the community to hire a specialist.

Volunteer Government does for a while. But the interruptive call to duty becomes more strident as the community grows in size and in wealth, and in due time voluntarism is replaced with a professional sheriff, whose keep is less costly than the stoppage of production. By contract, he is relieved from contributing anything to the market place, from which he draws his sustenance, in return for which he agrees to devote his time and talents to maintaining the orderly conditions necessary for the smooth operation of the market place. He renders a special service to the community, differing from all the others in that its sole purpose is the exercise of authority; as sheriff he is not equipped for any productive occupation, nor has he any competence for one. Government is a protector, not a producer.*

For illustrative purposes, we have inferred that the horse thief or the cattle rustler is an outsider, not a member of the community. But what is a thief—psychologically, not legally? He is a man who turns to predation rather than production to satisfy his desires, convinced that his way calls for a minimum of exertion. Because he is uninhibited by a moral sense or the fear of punishment, he is described as a psychopath. Whether he is or not, the fact is that he shares with all his fellow men the inclination to get “something for nothing,” his deficiency being but an exaggeration of the common impulse. The coveting of somebody else’s property is not confined to

* The argument is sometimes advanced that Government is a producer because its protective function induces a climate conducive to production. This is like saying that the umpire at a baseball game makes runs, hits, and errors, which is manifestly silly. Political power, if it has any competence at all, may regulate human behavior; it is not a factor in production.

the practicing thief but is a characteristic of the human being, and therefore in every community quarrels arise over the question of ownership, all the more so as the intricacies of trade develop. In the interest of that tranquillity without which production becomes difficult, to the discouragement of accumulations, the community sets up an impartial third party to adjudicate these and all other disputes. The tribunal is Government. Thus, the institution that grew out of the need for a protector of property takes on the related duty of judge.

The policeman-judge institution makes its appearance soon after every Society is born, and along with it there emerges from the experience of the group a set of rules of behavior for the guidance of its members, all to the end that the pursuit of happiness shall be facilitated; the occupation of this institution is to see that these rules are observed. This singularity of Government sets it off from all the specialized services that make up Society. To repeat, Society consists of a number of producers, each contributing to the general fund of wealth, and each depending for acceptance of his goods or services on the free vote of the market place; he has no power of compulsion. Government too is a specialized service, differing from all the others in that it contributes nothing tangible to the market place and is endowed with the monopoly of coercion. That is the peculiar characteristic of Government wherever we find it; by common consent it enjoys a monopoly of coercion so that it can prevent the indiscriminate exercise of coercion by the members of the community. It cannot be subjected to the competitive conditions that promote productive enterprise, because competitive coercion is competitive violence, the very condition that

Government is intended to remove. Government must be monopolistic.

When Society is primitive—that is, specialization is not developed and therefore production is limited—the coercive power of Government is restricted to public opinion. A prime example is that of the American Indian tribe, in which the chief was indeed the policeman-judge, vested with authority to interpret the traditional code, but depending on social sanctions for the execution of his dicta. He had no other enforcement agency. A more notable example is that of the Israelite constitution before the advent of kings. The tribes were held together by a voluntary covenant, and behavior was regulated by a code called *mishpat*, or justice; it was a set of rules that came out of the crucible of experience. Disputes among the tribesmen were referred to judges, men who attained the post by their reputation for wisdom and integrity. While they seem to have had no political authority, no power of coercion, they constituted effective Government because their judgment was automatically enforced by the tribesmen themselves. Even after the kingship was established, against the advice of Samuel, their chief judge, it was not granted the right of legislation, since God was the only recognized lawgiver.

“Thus,” observes Lord Acton, “the example of the Hebrew nation laid down the parallel lines along which all freedom has been won—the doctrine of national tradition and the doctrine of a higher law; the principle that a constitution grows from the root, by a process of development, and not by essential change; and the principle that all political authorities must be tested and reformed according to a code which was not made by man.”

Government does not have much to do in a simple economy; that is because there is not enough produced to arouse cupidity. Internal squabbles are relatively few and unimportant, and the poverty of the tribe is reasonable assurance that no one will attack it. Trouble begins when accumulations appear. It is then that Government is called upon to assume a major role in Society, a role that would not be difficult to perform if reason were to provide it with a clear-cut, moral definition of property. For that we must look to the behavior of the individual: why does he put such weight on ownership, and what does his claim rest upon? More specifically, on what grounds does he expect Government to guarantee his claim to property?

And the individual replies with an axiom: he has a right to live. Whether he has or not is neither provable nor disputable: all reasoning on the subject leads to the dead-end of all causality, "the nature of things." By this hypothesis, the individual has a right to life simply because he craves it. Who can dispute that point without throwing doubt on his own right to existence?

The right to life, or the right to oneself, must mean the exclusive title to all the faculties which are identifiable with that thing called "me": body, mind, appetites, aspirations, all the factors of personality. This peculiar bundle of flesh and soul is "mine," first, because it came into existence when "I" was born, an act of God, and will pass out of existence when "I" die; secondly, there is no way of transferring title to that personality to anyone who is not "me." That is the important point, that neither science nor politics is capable of devising a way of transforming "I" into "he" or "we." Oneself is oneself throughout life.

Now, title to life is not merely metaphysical; its reality is

the enjoyment of those things which, according to the dictates of nature, make life possible. Without them, "me" disappears. The raw material for those things are all about "me," put there by the same intelligence that put "me" on this earth. But it so happens that this profusion of life-giving materials serves "me" inadequately until it is transformed into consumable shape. "Me" must go to work on those things so as to make them contributory to life; and though "me" finds labor wearisome and undesirable, so strong is the will to life that this aversion is overcome. Thus, some part of "me" is invested in what "I" wanted to enjoy; it would not have existed and could not be enjoyed unless that investment of labor were made. It is by virtue of this investment of "me" that the desirable thing becomes "mine." It is "mine" because "I" made it.

Title to things, or the right of property, enjoys moral validity, therefore, only when it rests on labor.* Any other theory of property rights must begin by rejecting the right of the individual to himself and must assume that the successful use of force to separate the producer from his product is title enough. Putting aside moral considerations, title resting on the use of force is transitory, vague, and uncertain, because it must change with every change in the incidence of force. Thus, the slave owner enjoys the chattel's property only so long as he can exert force on the slave; when the slave overthrows his master, the title to property reverts to the former slave. The thief becomes an honest man and the honest man a thief according to which is stronger. Whenever we invoke

* Title to property must include the right to its value, if any. The baker's right to eat the pie he made cannot be questioned. Neither can he be denied the right to accept in exchange for the pie the equivalent of two pies, if anybody should make the offer. The labor theory of property has nothing to do with the labor theory of value.

a rule of property that does not recognize the relationship between the producer and his product, we are involved in contradictions; we are on transitory grounds and outside the field of principle.

When we recognize the employment of force in acquiring property—that is, when our sense of reality has not been dulled by adjustment to its employment—we are quick to put upon it the stamp of inequity; we call it exploitation, confiscation, appropriation, thievery. It is a *malum in se*, an inherently evil act. In that way we assert the conviction that depriving the producer of the fruits of his efforts is an infringement of his right to life. It is an immoral act. And it is an immoral act even if it is sanctioned by law or is committed by a number of people acting in concert, for there is no multiplier large enough to make a wrong a right. When we consider the consequences of the substitution of a forceful (or legal) for a moral right to property, as we will, we shall see that the violation of principle cannot be done with impunity. But, on principle alone, regardless of consequences, any method, legal or illegal, by which title to property is shifted from producer to nonproducer, is essentially akin to the burglarizing of a house. Under letters of marque issued by the monarch, piracy became privateering, but in either case it was stealing; and when I am compelled against my will to support a school or a bureaucracy, under any pretext, I am being deprived of my property.

Judgment on the soundness or desirability of an act or procedure must take into account its consequences; and a theory must prove itself in practice. When we put this theory—that the right of property rests on labor—to the test of experience, we find that it is supported by what might be called a natural law; that is, an invariable cause-and-effect relationship that

operates automatically, undeterred by human will and enabling us to make predictions. The law may be stated thus: the worker's possession and enjoyment, including disposition, of his past production determine the amount of his future production; or, the level of consumption (wages) determines the level of production.

It is admitted that what has already been produced may be alienated from the producer, and nature interposes no automatic restraints. That is to say, so long as it is possible by legal or illegal methods to shift possession physically, there is no imperative relationship between production and consumption; one can consume what another has produced. But this fact applies to past production only and does not take into account the continuing process of production. It should be kept in mind that the object of production is the satisfaction of desires and that desires do not cease until life ends. Man exerts labor in order that he may consume the output, and if he is frustrated in his purpose, what will be the effect on his future efforts? There can be no question as to the answer. The only point at issue is whether the consequent curtailment of effort is an act of will or is as automatic as, say, the rise and fall of tides. If it is an act of will, then the use of force will keep production going in spite of the thievery; but if it is "in the nature of things" that production must drop in the amount of defalcation practiced, then all the king's men and horses will not keep the productive machinery going.

In a primitive economy there is no difficulty in tracing the relationship between production and consumption. For here the worker culls directly from nature and the identity of his exertion with his property is clearly evident. He eats the animal he slaughters, the grain he grows; he wears the hides and the pelts he gathers; he keeps warm in a house he built with

the wood he brings in from the forest. Every effort he puts forth, either in obtaining his necessaries or in piling up capital for the future, redounds to his benefit. He makes his own wages. If nature responds abundantly to his efforts—since he is never lacking in desires—he keeps on investing more and more of himself in property.

However, if the pioneer's property is ravaged by pests or destroyed by droughts, floods, and earthquakes, he will migrate elsewhere, and in that case his shop closes down, production ceases; or he will put forth effort to overcome the hazards, and in that case production is lessened by the amount of effort put into the struggle. If robbers threaten his possessions he must likewise make a nonprofitable expenditure of effort in protection at the expense of output. Likewise, that part of his wages which he must give up for permission to live, say to tax collectors or anyone else having an enforceable claim on his output, is really not his; since he does not have it he cannot invest it in satisfactions. His will has nothing to do with the matter. The conditions which bring about a lessening of property cause a comparable diminution of production; the effort expended in baling out the boat does not speed it on its appointed course.

Operation of the law of property is more clearly evident when we look into indirect or money wages. Here a time lag between production and consumption dissolves all appearance of intent. Let us follow through a specific instance. A clothing worker acquires title to a coat by virtue of the labor he has put into it; even municipal law acknowledges the morality of his title by way of a mechanic's lien. But his economic interest is not in the coat *per se*. He made it not for the purpose of wearing it but with the idea of transferring his title in it to somebody else in exchange for satisfactions he

craves. He sells his interest in the coat to the entrepreneur, another worker, by the terms of a wage contract. The entrepreneur likewise has no need for the coat, and the title he acquired to it is also a means to an end. Eventually, the coat reaches its ultimate destination, the desiring consumer. If this one owns goods or tokens of value equivalent to the worth put on the coat in the market place, an exchange takes place and title is transferred to him. No sooner has the new owner put on the coat than it starts to disintegrate, for that is the fate of all labor products. But the coat-desire, the craving for warmth or adornment, does not disintegrate; it is coexistent with life. So, then, the consumption or use of the coat is in itself a signal to the coat factory, to all the specialists in that line, to get busy on a replacement, because a desirer will have property to exchange for it. It is property, the ownership of the fruits of one's labor, that keeps the productive machinery going, automatically and without human intent, unless we identify the will to live with intent. That being so, we can predict that production will always keep pace with the amount of disposable income in the hands of the producers, or that the wealth of Society is in proportion to the property of its members.

Let us consider a negative condition: the would-be coat consumer is without property. The reason is unimportant; either he chose not to produce, or conditions over which he had no control prevented him from producing, or a swindler or a commissar deprived him of his output. He has no property to exchange for the coat he wants. In that case, the coat factory has to shut down; if it continues to make coats we have a condition which economists call "overproduction," but which is really underconsumption. The stoppage is caused not by lack of desire but by a lack of property, and

human will, except insofar as it has played a part in depriving the producer of his property, is not responsible for the stoppage. It is automatic: no property, no production.*

This law of property functions even though the exchangeable property is offered by persons who have acquired title to it by theft, chicanery, or gift. As long as they have the unearned property at their disposal, production will continue. Since, however, such persons do not bring to the market place a replacement for the goods they take from it, merely exchanging that which the producer would have exchanged, the productive process is slowed down by the amount of their consumption. Only production begets production; mere consumption, or spending, does not stimulate output. People do not produce for money but for the things that money will buy. If spending alone could keep the market place active, then a Society consisting of profligate thieves would be in better case than one consisting entirely of producers. The idea of opulence through profligacy assumes that consumption is the fuel that keeps a full head of steam in the productive boiler and must be regulated by coercive methods; but consumption will take care of itself, men being what they are, if the productive process is not interrupted by any infringement of the moral right of property.

In the light of this principle, that the level of wages (consumption) is fixed by the level of production, and vice versa, the fact that free labor (labor permitted to enjoy its produce) is more productive than slave labor becomes self-explanatory. An "underprivileged" people is one that is regu-

* Slaves, who are denied the right to own what they produce, will produce something in excess of their consumption wages, either to avoid pain or in the expectation of an increase in wages. If the prospect of punishment or improvement is removed, the slave will produce no more than the sustenance needed for existence.

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larly deprived of its property, or one in which the definition of property as anything that under the law may be bought and sold, no matter how obtained, prevails. Contrariwise, a Society is rich, healthy, and vigorous insofar as it refrains from obstructing the individual's search for a fuller life by means of the enjoyment of the fruits of his labor.

It is probably not a *conscious* understanding of the relationship between property and production that gives rise to the need for Government, but rather an *emotional* understanding of it; the indisputable right to life gives one an indisputable right to the enjoyment of one's output of labor, and some machinery for the safeguarding of this right is deemed necessary. That is the business of Government.