

CHAPTER IV.

THE HIGHER LAW OF PROPERTY IN ITS PRACTICAL APPLICATION. A GLANCE AT THE MEANS NECESSARY TO THE END.

THERE ought now, certainly, to be no further need of elucidation to establish in every alert understanding the great principle, or law, of property. We have found, to begin with, that this principle constitutes one of the fundamental relations between mind and matter; and thus we have simply formulated one of the absolute laws of the universe, and uttered one of the everlasting commandments of God. Next, we have traversed human history, and have found that the existence of mankind on the earth has been a living verification, a practical embodiment of this principle, this law, this commandment. Finally, we have retraced the line of that special science through which the principle of property has been gradually developed and mirrored to man's reason; and here we have found that every step in political economy, from Aristotle to Henry George, leads inevitably to our own last step, which is the logical end of the science itself. In specially scrutinizing Mr. George we have ascertained where lies the flaw which everybody feels there is in his doctrine, when he would impose the taxes of all society upon one class of society — the owners of land. Yet, while pointing out this flaw, we have the more fully confirmed the substantial truth of Mr. George's position, showing that his only weakness is in being, not incorrect, but incomplete. The moment his *own logic*, according to his *own language*, is literally carried out, his half-generalization turns into a whole one, — his hemisphere becomes a rounded globe. In itself, therefore, the principle of property need be no further discussed. We must consider it settled. Let us turn now to the practical application of it, — the means and the results of putting it into operation.

The people of the world own the world, as their joint possession, by natural and divine right. The citizens of a country own the material wealth of that country, under the same title. They are the sovereign landlord of such bounty of nature as it affords, works up, or exchanges. As this landlord, rent accrues to them, — the natural rent of their common estate; and this rent, based on the average mortality of citizens, falls into the form of an annual *ad-valorem* tax on assets, — the only form in which it can be practically realized.

But how is such a tax to be collected? And what is to be done with it?

Well, by the time the subject becomes sufficiently understood to command practice, the collection of the people's rent will be easy enough. In the United States it can be collected substantially as the income-tax was collected during the War of the Rebellion, with as much cheaper and better methods as can be devised by a nation instead of a party, and in the calm of peace instead of the tumult of war. There need be

no difficulty, at least, in making the levy full and effective. If, in preparing a schedule of assets for taxation, any citizen sets the value of a piece of property too low, its superior owner, the people, may take it themselves, at his own estimate, and pay him for it. Under such a rule, the most unpatriotic tax-dodger would soon be washed and combed into a being presentable to the rest of the community.

But the disposition to be made of the tax? What are the people to do with so much wealth?

This is the paramount question that every darling little aristocrat will most anxiously put to his startled understanding.

The reply shall be frank and exact, though it will not be necessary to go into minute details.

One thing must never be out of mind in connection with this whole subject — that is, the common, the undivided, the public ownership of the property taxed, and hence the common, the undivided, the public ownership of the tax itself. There can be no direct redistribution of this tax to individuals, that laggards and bummers may swallow their portion of it. Their portion is joint and inseparable from the rest. This point is involved in the absolute law of property itself, and so it would have to be a part of what is termed "the constitution," under any government fulfilling that law.

The first use for the annual rent of the people's estate will necessarily be to pay for managing the heritage. All expenses of government will constitute this item. Then the residue will be employed in what may be summed up as internal improvements, that term being understood in the largest sense. There are some things which equally conduce to the welfare of all the people of any nation. These things are fresh air, pure water, comfortable habitations, cheap, wholesome food and clothing, facilities of travel and communication, and the fundamental means of education and progress. There is no need of dogmatizing, here, on any man's special manner of distributing these general blessings. Methods would rest on the experience of nations, so far as they have gone, and on the good sense of mankind in general. Besides, they would have to be submitted to the popular will — the people's vote. For the principle of property presupposes the sovereignty of the people. If the people own a country, they direct the management of it; — and just that management is the whole meaning of government.

Still, if we wish some specific suggestions concerning the outlay of a people's natural rent, beyond the immediate expenses of government, — say in the United States, — such suggestions can easily be given.

For one thing, the people should own all the land, buildings, and appliances required to conduct their government. The government should not hire these things of private individuals, unless in exceptional instances, but should buy, and build, and hold them as the agent of the common owner. A people should be their own capitalist, and should save rent and interest. And what would this simple application of ordinary business sense, in one direction, immediately achieve? It would help the poor, while economizing for rich and poor alike. It would provide work for capitalists, mechanics, laborers, and clerks, at a fair price. To no inconsiderable extent, the people, the masses, could thus, through their government, enter into competition with other capitalists in the employment of labor, and lessen their dependence on individual employers. This one step alone would have almost adequately relieved the people of the United States during any recent pressure of "hard times."

Yet this would be only the first toddling step of infancy. No country road and no city street or by-way of a nation, when mankind once know their rights, will ever be left in improper or unhealthful conditions. No dwelling will be allowed to stand that is not fit for the habitation of a decent human being. The poor man's hovel will not first poison and kill his babes, and then waft contamination and death to the rich man's drawing-room and nursery: both hearts will be spared in their tenderest spot by a little justice applied to wealth. Then, if the rich delight in their private gardens, the people can have public parks, — not some stinted suggestions of grass, and flowers, and trees, but royal enclosures, glorious enough for their new king, and for nature and reality. Public baths, too, might be as numerous, accessible and remedial as they were in old Rome; — not altogether free, perhaps, but near enough to it to be only self-supporting. As for rivers, canals, railways — all avenues of travel and transportation, — these would of course be improved and amplified to their fullest scope; then they would be appropriated or regulated to the economy of the people.

It is evident there will always be enough public uses to which a people may put the natural rent that belongs to them. They may use it, if they wish, in competition with individual landlords; and this would be the just and proper way to recover the undue gains which have followed the private ownership of land, instead of taxing such ownership out of existence. For example, the people could build and lease dwellings adapted to the needs of the majority of citizens; or they could simply give government premiums to private enterprise for doing the same thing, thus making ordinary habitations plentiful and cheap. This simple method of competition between the great public landlord and the several private landlords would gradually reduce all rent to a normal basis, without the injustice of taking away any kind of property from people who have come into lawful possession of it.

In fact, having found the correct, the absolute principle of property, there is no department of government, of business, or of right, that it does not fit.

However, it must now be stated and borne thoroughly in mind, that the higher law of property, like every other basic principle of the universe, is dependent, for its practical fulfilment, on certain fundamental adjustments of economics and politics, as means to the end.

An annual *ad-valorem* tax on the world's assets, adjusted in accordance with the average death-rate of mankind, and re-distributed in common public benefits, would constantly render every inhabitant of the globe equal to every other inhabitant in the natural and inalienable right of access to matter. But this right can only be reached, or at least maintained, through a universal and actual system of democracy, as the world's government. For no king, no aristocrat, no monopolist of any kind, ever ungriped for a people what belonged to them. They must take it if they are to have it. On the other hand, they can never keep it, if they take it, until they are intelligent and just enough for genuine self-government.

So far, there has been no actual, complete democracy among the governments of the earth. In the United States we doubtless have the nearest approximation to it that our planet has ever furnished on a large scale. But our country has always, in reality, been governed by oligarchies. From 1789 to 1861, the slave-holding oligarchs of the South, and the banking and trading oligarchs of the North, joined hands, with perfect success, through national and state legislation, to monopolize the fruits of our industry and growth. And they tried hard enough to overturn the very

principles, if not the forms, of popular government. Since the War of the Rebellion a new set of oligarchies have arisen, with a broader field of action, and with almost greater dangers to the people than were threatened by the old ones.

Take the money oligarchy as the first instance, — the "respectable" and cunning monopoly which has directly and indirectly controlled the currency of the country during the past quarter of a century. This combination began its career, in 1861, by influencing the Senate to destroy those features of the legal-tender act by which the House had placed the national credit at par with coin. By this crime, or "blunder worse than crime," the national treasury was forced to dump its paper into the world's "bullion-shops" at from 40 to 75 cents on the dollar. Mr. Spaulding, "father of the greenback," and since President of the National Banking Association, protested bitterly against the whole scheme of "knocking down the government stocks," which he proclaimed, in advance, would "double the national debt"; and the "grand old commoner," Thaddeus Stevens, declared that the Senate had been induced, "with. but little deliberation," to "mangle and destroy what it had cost the House months to digest, consider, and pass." The prophecy of Mr. Spaulding and the fears of Mr. Stevens were soon terribly justified. At the close of the war the national debt, which should have been some \$1,800 millions of dollars, had reached \$2,808 millions. The

volume of currency, which should have been about a thousand millions, had been inflated to more than eighteen hundred millions; and then a system of contraction was precipitated, by means of which the bubble collapsed, and which might have ended in popular turmoil had not Congress intervened. Through our system of currency since the opening of the Rebellion, the sum of wealth (principal and interest) taken from the people as a whole, and absorbed by the few, has been variously estimated at from five to seven billions of dollars. At the most conservative figure, it can hardly be placed at less than one tenth of the country's present wealth.

But, if such an abomination be possible — and it is nothing now but one of the cold facts of history, — it is evident that no distribution of wealth, however just and adequate, can be made effective without a system also of just money. Money, in fact, strictly speaking, is the divisible and aggregate representative of all wealth, — the medium alone through which property can be exchanged, — and so the abuse and derangement of that which represents and commands all property necessarily deranges all property itself.

Scientific money — a money of invariable value, and which can never be cornered — a money fitting every commodity, and commanding it as definitely as any deed commands any house and lot, — such money is not a dream, but an easy possibility of the future. Men will be infants and barbarians until they achieve it.

In a second volume of this book I hope to epitomize the history of money, and to show what scientific money is, in system and detail.

I hope at the same time to expound, by sufficient analysis and illustration, a scientific or rational tariff. For, next to a true and adequate system of currency, such a tariff is an indispensable means of securing and maintaining, for any people, their rights in property.

The tariff system of the United States, notably during the past quarter of a century, has been one of so-called " protection to American industry."

But what have been the fruits by which we know it?

One glance at statistics will give the answer.

We have fifty millions of people in this country, and fifty billions of dollars in property—enough to count one thousand dollars to every man, woman, and child, or five thousand dollars to a family.

But how is the property situated? Vanderbilt is said to have two hundred millions of it. Jay Gould has gathered up — never mind how much, but all he could safely get. Three or four other men, in New York, Philadelphia, and San Francisco, stand together for about as much as Vanderbilt and Gould. In other words, half a dozen men in the United States own or control one fiftieth of the whole nation's assets.

Again, if we are to trust the United States census of 1880, the number of work-people engaged in American manufactures was 2,737,000, and they averaged \$346 each — less than a dollar a day. But, on every dollar of that labor, capital made a \$1.08; and it averaged 36% on its aggregate investment. In the same year we had eight millions of farmers and farmhands. They got for their toil the average of \$289. Here, then, were the American producers — the great mass of them, with their families, — their average living, taken all together, being about eighty-five cents a day, a sum which has certainly been much decreased by the subsequent pressure of "hard times."

Our American "protective tariff" is evidently a good thing — for oligarchies, for monopolies.

But the tariff alone is far from being guilty of all the sins condensed in these figures. The railway oligarchs, for instance, have shoveled in their "swag," as some of them frankly call it, not by means of the tariff, but mostly by obtaining the right from the people to convey their productions to market, and then turning round on the farmer and manufacturer and charging for the freight on such productions all that they can be made to yield without absolutely stopping their shipment.

That is our American railroad system. It does not earn what it gets. It simply corners production and takes all that can be grabbed — all that "the traffic will bear." That is why the grain of the West cannot come to the East, and the manufactures of the East cannot go to the West, at prices under which they can be freely exchanged and keep us all busy.

But, in addition to such booty, these same great railway bandits have given away to themselves, through their clerks and servants in Congress, more than two hundred million acres of the public lands. Horace Greeley used to say: "Young man, go West." Now, there is no West for the young man to take, after he goes there. The homestead that belongs to him the railroads have pocketed; for, after all they have not literally stolen it.

Once again, our whole system of American taxation has come to be so arranged that it spares the rich and burdens the poor. It constantly tends to make the rich richer, and the poor poorer. Every farmer must pinch a dollar, to pay the taxes on his bit of ground. Every city mechanic, trader, or laborer, must do the same to preserve his

modest homestead. But a bondholder, with millions of personal property, can shuffle off the taxes on eight tenths of his estate. The fact is, the rich have made all our laws, especially for the last 23 years; and they have made those laws wholly for themselves.

So, to see where the people's natural wealth and the productions of their labor have been absorbed, — to see why the masses are living on less than eighty-five cents a day for a family, and thus verging on a condition that has appropriately enough been called "white slavery," — it is necessary to look mainly in five directions. There is the great currency-fraud; there is the tariff; and then come the vast railway monopolies, the land-grabs, and the cruel and abominable discriminations of the tax-levies.

On a moment's consideration, it will be perceived that the "land-question" and the "tax-question" would immediately settle themselves, under the establishment of collecting and redistributing what I have shown to be the people's natural rent of their common estate. The annual ad-valorem tax on assets, according to the death-rate of a people, would necessarily level all preferences and skulkings in regard to public burdens; and the same tax, applied to unoccupied land, would force it into the market, with little waiting for speculative rise in its value, or else the holder would soon be on the road to deserved bankruptcy.

The "transportation question" could not be wholly settled in the same direct way, under the application of the higher law of property. But what civilized people will long submit to unregulated private control over their great avenues of communication and transit? Under the law of eminent domain, these thoroughfares have been opened, as against the rights of special individuals whose possessions stood in their way. Under the same law of eminent domain — the other end of it, — the people can easily find the means of protecting themselves against the extortions of their public carriers. How ridiculous to have a postal department of government, and then have a private citizen decide the freight on a mail-bag, and say whether or not it shall be forwarded! The people are yet infants and savages — not very much in advance of their forefathers, who suffered the mail-clad "chivalry" of Europe to swoop down from their stone castles, and levy "black-mail" on every merchant-traveller. Our railroad corporations do the same thing, under customs and laws more cunning and hypocritical, but not much more honest, than the ancient precedents.

A people's postal and telegraphic communication, their great lines of waterway and railway — such departments of their business as are common and national in their scope, — must all either vest directly in themselves, or else be subject to the strictest legislative and judicial oversight, before we shall ever get an hour's respite from being scalped and skinned.

But here we come back to the question of tariff.

Under the higher law of property, there would of course be no consideration of such a thing as a tariff for revenue. The only rightful source of government expenses is a direct tax on assets, — a tax which belongs to the people as a part of their natural rent. The only use for any incidental revenue would be to add it to the sum of the birthright tax. On the other hand, if it should be necessary to encourage "home manufactures" for the sake of general growth, independence, and self-defence, the premiums to support such encouragement would have to come out of the same common fund.

It must be mentioned, also, that something which would amount to a people's toll on exports is a corollary of the higher law of property. For if the people of a country have a common annual interest of two per cent. in its wealth, they must devise some method of collecting their annual rent from such property as they permit to leave their boundaries. But any collection on exports can be made but once; so the people's annuity in them would have to be computed as a perpetuity. It is a principle, however, rather than a specific method, to which attention is here called. The end of a tariff, so far as it is a common good, is to aid in making the wealth of a country as abundant as possible for its own people, and to give them the first benefit of it. The natural wealth of new countries in special should be protected from reckless exportation, which often exhausts what ought to be retained, but which is pushed out in exchange with old nations for trifles and luxuries

To buy cheap and sell dear (to get the most wealth for what is given), and to do a small and profitable business rather than a large and losing one, are supposed to be advantageous rules of business. But tariffs seem to have been framed, especially in America, to violate both rules as egregiously as possible. They have been framed for individuals, for monopolies, not for the people.

We find, then, that the higher law of property, even if carried into direct practical operation, could be rendered partly if not wholly abortive, by a dishonest or defective currency, a tariff based on chicanery, or a general monopoly in handling and transferring a country's productions. In the United States, each one of these things is an insatiate leech, by which the profits of skill and industry are constantly sucked out of the people's life.

But it will probably be, even yet, a slow process by which such vast wrongs can be righted. In fact, they are only just coming to be understood. And the cure for them presupposes both the elevation and extension of democratic government — the people's full and thorough command of their own welfare.

The very methods of democracy are yet in their infancy, and our American system is an illustration of it. The best we can now do is to live under the rule not of the people but of political parties; whereas a genuine republic will look back on political parties as the rubbish of savagery.

I shall not attempt here to construct even a rough model of the machinery through which such a republic would work. But a homogeneous nation, if at the same time a democracy, would be represented by a national body of its servants large enough to stand for all the people's great interests, both progressive and conservative, and these representatives would be chosen, not by sectional constituencies, but each one by a combination of voters extending throughout the country. In this way, both comparative majorities and comparative minorities would reach expression and sovereignty in a national body while a majority of that body would really duplicate the will of a majority of the people, and govern the nation in its lawmaking capacity. The members of such a body would soon be the two or three hundred most popular and capable men in the country, and the one standing at the head, by virtue of the most votes behind him, would naturally be the President and chief executive, with such powers as the position would require.

But there is no reason why the people should hire their servants by the year, or by the biennial or quadrennial term. When we learn how to conduct our public business on business principles, we shall insist on retaining our most faithful employes for life, and on discharging the unfaithful and incompetent at will. This requirement will ultimate in a system of what may be termed "perpetual elections" — say the right of every citizen to vote monthly, through regularly constituted election bureaus, national, state, and local. A really civilized people will then dispense with the clumsy, expensive, and abused ballot, with its dirty polling-booths; and voting will be done by mail, if most convenient for the voter, each vote being recorded, and the receipt of it acknowledged in writing to the citizen who deposits or sends it. The mere official publication of district, state, and national election reports, will then inform every reader whether his own vote be properly accounted for in his district, and accurately summarized in the state and national reports. The will of the people will thus be fully expressed, the majority will rule while the minority will have all the power belonging to them, and there will be no chance or possibility of fraud.

And now we may sum up this volume in a sentence.

A people who adopt and enforce the higher law of property, establish a scientific currency and a rational tariff, guard the transit as well as the production of their wealth, and constantly hold these paramount interests in hand by some effective system of "perpetual elections," will have solved every great problem of political economy, which means the material welfare of mankind — practical democracy.

It seems a pity that so much is required, and that the time is not today. But let us be thankful that the end is not impossible, and need not even be very distant.