
 74

NATURAL RIGHTS

. . . That the sweat of a man's brows and the exudations of a man's brains, are as much a man's property as the breaches on his backside:—which said exudations, etc., being dropped upon the said apple by the labour of finding it, and picking it up; and being moreover indissolubly annexed, by the picker up, to the thing being < picked up, carried home, roasted, peeled, eaten, digested, and so on:—tis evident that the gatherer of the apple, in so doing, has mixed up something which was his own, with the apple which was not his own, by which means he has acquired a property; or in other words, the apple is John's apple.—
 Laurence Sterne, *Tristram Shandy*

IT MIGHT BE WELL here to review the ground we've covered since we first set out to learn who, or what, has been clogging the world's land-to-labor pipe—First we learned that it is land speculation that clogs the pipe, with an incidental assist from man-written tariff laws. Next we observed that land speculation is a natural outgrowth of land-ownership. If we are to remove the cause of business depressions and poverty, we seem to be left with no choice but to do away with landownership.

Unfortunately, that isn't easy to do. First of all, land, as we have seen, is owned by some rather important people and insti-

tutions, none of which are likely to sit by quietly while we take away their rights to own their main source of income. Secondly, the Poleco-ist would never stand for our violating their natural rights as individuals or groups of individuals. Even if doing so would eliminate depressions and poverty, to deny the landowner the natural right to own what is *rightfully* his would be unjust. But before we acknowledge the impossibility of finding a just solution to our problem, let's poke around a bit and try to find out exactly what these natural rights we've been discussing really are. It certainly can do no harm; and who knows what we may find?

It's quite common, especially in big cities, to see a policeman trying to order a citizen from a particular street-corner. Often the citizen will stubbornly refuse to move on as he's told.

"I'm a taxpayer," he will declare, "and I know my rights."

A few hours later, sitting in the local jail, he's not so sure that he does know his rights. But that isn't unusual. For only a few of us are aware of our legal rights—those given to us by the laws and regulations written by our lawyers and politicians. And because so many laws have been written, it is hardly likely that our incarcerated citizen really knows precisely what his legal rights are at any particular time. As for our natural rights, most of us have forgotten that all human beings have them. That is certainly true in Russia, England, Argentina, Spain, and other countries where the governments have actually proclaimed from time to time that the individual has no rights other than the legal ones given him by the state's lawmakers. It is to a great extent true here in our own United States, too.

Actually, man's natural rights are the only ones that really matter. His legal rights change according to the whims of the government under which he lives. In one country, the citizen may have the legal right to own another human being; in another country, he may be denied that right; in a third, he may not have even the legal right to own himself. Under one nation's laws a man may have the legal right to have many wives, and in another the law may forbid him to get rid of the one wife he has.

Change the wording written on a piece of paper and the legal rights of the individual are changed, too. But his natural rights are always the same, everywhere in the world, and at all times. Whether he be a plutocrat or a pauper, man is nevertheless born with "inherent and inalienable rights." * Governments can neither give him such rights nor take them away, because, as Jefferson wrote, they are "inalienable." True, a tyrannical government might deny a man the freedom to *exercise* his natural rights—in fact, doing so is what makes a tyrant a tyrant. But law or no law, tyrant-ruled or not, in jail or out, the individual always retains his natural rights, even though he isn't permitted to exercise them.

Fundamentally, man's natural rights are three. First, he has a natural right to live. Second, he has a natural right to own himself, his body, his labor, his intelligence. And his third natural right grows out of the second: the natural right to own everything that his body, labor, and intelligence produce—no more and no less. John Locke says the same thing so much better in his *Property*, it might be well to lean on him here:

Though the earth and all inferior creatures be common to all men, yet every man has a property in his own person. This nobody has any right to but himself. The "labour" of his body and the work of his hands we may say, are properly his. Whatsoever, then, he removes out of the state that Nature hath provided and left it in, he has mixed his labour with it, and joined to it something that is his own, and thereby makes it his property.

Having the right to own gives him also the right to do as he pleases with his own. He can consume it, gamble it away, save it, or use it as capital. That, too, is his natural right, because he produced his wealth, and no one but him, therefore—*not even*

* Jefferson's original draft included the word *inherent*, but the Congress struck it out and substituted the word *certain*. The substitution indicates that even at the time our Declaration of Independence was being written, many of the framers denied man had *inherent* rights, and believed he had only *certain* rights—rights granted him by man-made law.

his government—may tell him what he may or may not do with his property.

Such rights are called natural because we find them observed in all societies where humans are left to govern themselves. They are the only law until societies force written laws on the people. A. T. and G. M. Culwicks tell us, in their *Ubena of the River*, that in Ubena, Africa, where semisavages have a number of wives, the husband isn't permitted to use the things produced by one wife to support another. Everything she produces is hers to use for herself and for the support of *her* children. And if the husband should take some of one wife's produce to market and sell it, he is expected to bring her a valuable gift as acknowledgment that the goods she produced were hers by natural right.

Children, since they haven't lived long enough to have their thinking warped by laws their parents write, are very much aware of their natural rights and will instinctively fight to protect them. A child who builds sand castles will violently resent anyone—another child or an adult—who crushes the sand castle he, with his own labor, has built on the seashore. The boy who builds a wagon looks upon it as his own and will permit no one to use it without his permission. If he yields to temptation and steals a few marbles from a pal, the child knows he's done wrong even though there are no law books in his life to tell him so. If he's caught in the act, he usually returns his loot even if the boy from whom he's stolen is smaller than he. If he doesn't, the terrible justice of the gang is visited upon him, and he quickly learns that neither bullies nor violators of other men's natural rights will be tolerated. But boys do not have the same respect for landownership. Boys with even the strictest upbringing and most honorable character will completely ignore "No Trespassing" signs, will swim and fish where "No Fishing or Swimming Allowed" notices are posted, and won't hesitate to help themselves to wild fruit and berries, or to shoot wild rabbits on idle, fenced-in land. We might almost suspect that there is a difference between the right to own marbles and wagons and

the right to own swimming holes, forests, and other unimproved areas of land.

And there is a difference. At least the Poleco-ist thinks so. Articles of wealth are produced by man, and the individual man who produces a particular article of wealth has a natural right to own it simply because his labor brought it into being. An individual has a natural right to own everything his capital produced, because his capital, too, was a product of his labor, or was given to him in fair exchange for some thing or service his labor produced. But unimproved land is not a product of labor. It existed perhaps millions of years before man even came upon the earth. Man couldn't produce a grain of land if his life depended on it. And since no man or group of men produces land, no man or group can possibly have the natural right to own it. The right to own land, then, is only a legal right given by the lawyers and politicians of a nation, and is not a natural right with which man is born. Since it is government that gives him the legal right to own land, that right may be taken from him whenever his government chooses. The communists do such things, and the socialists in England are well on the way toward taking the Englishman's right to own land away from him. Those followers of Karl Marx, however, have no more right to own land than individual Russians or Englishmen, since no government has ever produced as much as one grain of land either. Therefore, since no man, no group of men, no institution, and no government has ever produced land, it cannot be owned by* anyone or any group of humans or any institution or government by natural right. To put it all more emphatically, since land isn't produced it cannot *justly* be owned!

 75

LANDOWNERSHIP VERSUS THE LEASE

*Like a fair house built on another
man's ground; so that I have lost my
edifice by mistaking the place where
I erected it.*—William Shakespeare,
Merry Wives of Windsor

IT MAY WELL BE ARGUED that the Dutch produce land that didn't exist before with their wonderful system of dikes, with which for centuries they have pushed back the sea. As other examples of man-made land, some may point to the large areas reclaimed from the sea by the city of Boston, the swamps filled in by New York City, the lakefront that Chicagoans reclaimed from Lake Michigan. But if we remember that the word *land*, as the Poleco-ist uses the word, includes the sea as well as the dry portion of the earth, it is easily seen that what is commonly called reclaiming land is actually pushing liquid land back to expose more solid and dry land for use. Since man's labor has been added to push the sea back, reclaimed territory is no longer land but wealth (land added to labor), and wealth, of course, *can* be rightfully owned by whoever owned the labor and capital that produced it. Whoever reclaims territory from the sea has a natural and exclusive right to use it, for it has become an improvement which is just as much a product of man's labor and capital as is a farm, a factory, or a house. But the land upon which the improvement rests is not a product of labor, and therefore man has no natural right to own it.

When people unexpectedly come face to face with the idea that man may own the improvement he builds on land, but not the land upon which it rests, they are, to say the least, somewhat startled. What man in his right senses, they ask themselves,

would even consider improving land he did not own? How is he to know that the landowner won't come along to command him to pick up and move his farm or skyscraper away from the parcel of land upon which he built? The truth is that even today very few people who build homes, factories, stores, skyscrapers, or farms actually own the land under their improvements. Very few farms are built upon land owned by the farmer. Most farms today are either mortgaged or rented; and legally a mortgaged farm belongs to the moneylender, and not to the farmer, until the debt is entirely paid up. Very little of the land into which mining companies sink their mines is owned by the operators. A lease guaranteeing the right to work the land for a certain number of years at a certain rent is all the mine owner and oil companies require. Hardly a skyscraper, hotel, or department store in New York City is built on land belonging to the owners of the buildings.

One of New York City's more glamorous hotels, the 54-story Waldorf-Astoria, was built at a cost of twenty-two million dollars on land that did not belong to the builder but was, and is, the property of a subsidiary of the New York Central Railroad and the New York, New Haven & Hartford Railroad. The owner of the hotel pays a rental of a million dollars a year, *plus* a percentage of its profits, to the landowners for nothing more than permission to rest his hotel on "their" land. It is interesting to recall that the land on which the Waldorf-Astoria Hotel rests was originally *given* to the present landowners by the notoriously* corrupt Boss Tweed-controlled legislature in 1869. In return for substantial bribes, history says, that plot of land, as well as all of Park Avenue from 42nd Street to 45th Street was "sold" to the New York Central. (There is no record of actual payment having been made by the railroad, since the records of that particular deal have mysteriously disappeared from the files of the New York City Comptroller's office.)

Evidently, then, it is not only possible to own an improvement without owning the land upon which it is built, but it is the usual thing. For, all the assurance any producer demands today before

he invests his capital and labor to improve a particular piece of land is a sufficiently long lease.

Another troublesome problem now rears its head. Since no person, group, government, nor community has ever produced any land, it must follow that anyone now owning land is unjustly holding something that isn't rightfully his. That doesn't seem quite fair to all of us hard-working, thrifty, law-abiding souls who have spent our hard-earned savings to build a small home on a fifty-by-a-hundred plot of land out in the suburbs. We



have every right to look upon the Poleco-ist's revelation with nervousness and fear. For it seems certain that if we are occupying land that isn't really ours by natural right, someone bearing an important-looking legal paper is apt to pop up at our door any day and command us to get off the land we always had believed to be ours. But our fears are without reason. For if, as the Poleco-ist insists, Mother Nature produced all of the land, only Mother Nature has a right to own it; and it is very unlikely that she will ever drop in on us to take the land from under our improvements. In fact, if there is any meaning whatever to Mother Nature's laws, instead of denying us the use of land she will more

likely increase our natural desires for wealth and in that way compel us to use her land even more extensively than we do.

76

MAN'S NATURAL RIGHT TO THE USE OF LAND

Whenever there is in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common stock for man to labor and live on.—Thomas Jefferson

IT ALL SEEMS to amount to this:

while no man, group, or institution can rightfully own land, *all* men have a natural right to *use* it, regardless of laws written to deny him that natural right. That doesn't mean that homeless people, therefore, have a natural right to move into our house, or that street peddlers discontented with the unpleasant selling conditions in the street may move their stands into another man's store. Nor does it mean that our farm crop, which we so painfully planted, might well be harvested by a horde of ne'er-^do-wells exercising their natural right to use land on equal terms with all other men. If the reader is really distressed by the threat of such anarchy, let him relax. For the equal right to use land does not mean an equal right to use the improvements built on the land. A home, a store, and a farm—like all improvements and other forms of wealth—rightfully belong to those individuals who produced them. It is only land, and not the improvements on it, that cannot be rightfully owned by anyone. Man's exclusive right to own everything his labor and capital produces, *but no more nor less*, cannot be overstressed, so let us repeat: *every*

individual has a natural right to own all the improvements he makes, all the capital he has produced, and every bit of -wealth, wages, and interest that result from his labor and capital.

The idea that land may not be owned by anyone may seem new to many readers. Actually, it is not only old stuff but has been expressed by almost every respected scholar, ancient and modern, who has in any measure seriously studied political economy. The following quotations are typical of what has been said on the question of landownership:

. . . there is no foundation in nature or in natural law why a set of words upon parchment should convey the dominion of land.—Black-stone, *Commentaries* The land in any country belongs in usufruct to the living.—Jefferson

An individual, or company, should never hold more land than they have in actual use.—Abraham Lincoln

The earth cannot be anyone's property.—Leo Tolstoy, *Resurrection*

Let it also be observed that the land is not essentially private property, and that naturally one man has as much right to the land as another. —Patrick Edward Dove, *The Theory of Human Progression*

When land is not intended to be cultivated, no good reason can in general be given for its being private property at all.—John Locke, *Principles of Political Economy*

Man did not make the earth, and though he had a natural right to occupy it he had no right to locate as his property in perpetuity any part of it.—Thomas Paine (Conway's *Paine*)

Equity, therefore, does not permit property in land.—Spencer, *Social Statics*

Properly speaking, the land belongs to these two—the Almighty God, and to *all* his children of men.—Thomas Carlyle, *Past and Present*

When the "sacredness of property" is talked of, it should be remembered that any such sacredness does not belong to land. No man

made the land. It is the original heritage of the whole people.
—John Stuart Mill, *Political Economy*

The idea that land can't be owned just because no mortal has in any way contributed to producing it is hard, in these days, to take. There is one line of argument against the idea that is so general among those who first hear this disturbing thought expressed that it deserves one or two of our pages. It goes something like this:

"Didn't we agree, in Chaps. 24 and 25, that exchange is part of production?" "Yes."

"When I give up money that I got for producing goods of some kind, and I give that money to someone for land, am I not making an exchange? And if exchanging is producing, am I not producing land when I exchange my hard-earned money for it?" "No. Not quite. For exchange means exchanging wealth for wealth or wealth for services. But exchanging the goods you made for a piece of land is exchanging wealth for something that is not yet wealth, and won't be until labor has been added to it. Land, it must be remembered, isn't wealth until it has been modified in some way by labor to fit it better for the satisfaction of human desires."

"Okay. Suppose I labor by chasing Indians off the land, and then by putting a fence around it. I *have* added labor and, according to your own argument, I can then own it."

"Not quite. Chasing Indians off land doesn't produce any wealth; it merely prevents the Indians from producing some. But building a fence around a piece of land, or any other place, *does* produce wealth, but only in the form of a fence. That fence is yours. You have every right to own it. But how can that give you a right to anything ringed by the fence? If just fencing in land gave a man title to it, he need only spend his life building fences to end up the world's richest landowner."

"But the whole idea still doesn't seem quite fair. A man buys a piece of land in good faith, gives up his hard-earned money,

his life's savings, for it; and then a Poleco-ist comes along and says, 'Nobody can rightfully own land.' That just doesn't seem fair."

"Perhaps not. But the same thing would happen if a man gave up his hard-earned money for a stolen car or for any other goods that was gained through force, theft, or fraud. If you should buy a car from a man who had bought it in good faith from another man; and if that man, with his honestly earned money, unknowingly had bought the car from a thief who had stolen it, would the police hesitate to take the car away from you just because you bought it in good faith with your honestly earned money? Of course not! 'Let the buyer beware' is the law in almost every civilized country. But let it be understood that the Poleco-ist doesn't argue that the land can't be owned by the present owner just because he is holding land that was originally stolen by the first titleholder. He doesn't say that those who now hold title to land shouldn't continue to stay on it and to use it as long as they like. He simply says they can't *rightfully* own it, because neither they nor anyone else produced it."

"I can't see the difference. You say he can't own it, but he can use it just as if he did own it. What's the difference?"

"There is actually no difference to the man who both owns and uses his land today. But there'd be a great difference to those who own land for no purpose other than to hold it out of use until, through sheer desperation, those who can't earn a living without having access to land are left with no choice but to pay the speculator an exorbitant price for the privilege of using idle land that neither he nor any other person has a right to own in the first place."

"Well, then, let's go back to the Poleco-ist's other statement. You compared buying land with buying stolen cars a while ago. Suppose I buy land that wasn't stolen?"

"That would be a good trick if you could do it. Since land cannot belong to anyone, whoever sells land to another must sell something that isn't rightfully his to sell. Moreover, according to history, there isn't an owned acre of land anywhere on

earth that wasn't originally gained through theft, force, or fraud. Most of the present titles under which British lands are held stem from the bloody conquests of William the Conqueror. Most Irish land titles stem from Cromwell's butchery and robberies during his invasion of Ireland. The land in the United States was stolen by the English from the Dutch, the French, and the Spanish nations, who earlier had stolen the same lands from the Indians. Texas and California lands were taken by force from Mexico, and that country had stolen the areas from the Indians. The Louisiana Territory was bought from Napoleon who, without even so much as having put his foot on any part of it, didn't hesitate to sell it to the United States government just as if it were his to sell. But the murders, thefts, corruptions, and double-dealing upon which present-day titles in that area are based form the most shameful part of our history: even more disgraceful than the downright dishonesty that lies under every title. The murder, fraud, and thievery underlying American titles to American land are wonderfully described—in minute detail—in *Land Title Origins* by Alfred N. Chandler."

"But all that was so long ago. Why punish me for something that happened a couple of hundred years ago? Why punish the English landowner of today for something that William the Conqueror did almost a thousand years ago?"

"No one is being punished. Nobody's being kicked off his land or being denied the right to use it. So far as time being the great forgiver of thefts committed long ago is concerned, Herbert Spencer answered that absurdity in his *Social Statics*:

"How long does it take for what was originally a *wrong* to grow into a right? At what rate per annum do invalid claims become valid? If a title gets perfect in a thousand years, how much more than perfect will it be in two thousand years?"

"So, just because all titles are based upon theft, killing, and fraud, the Poleco-ist thinks nobody has a right to own land."

"Not entirely. The Poleco-ist objects to landownership for

more fundamental reasons. First, as we saw in earlier paragraphs, land isn't produced and therefore cannot be owned. But, equally important, the Poleco-ist observes that land is essential to life, and to deny all men an equal right to get at the land is to deny all men the equal right to live. And to deny man the right to live is to deny him his most basic natural right."

77

MONOPOLY

The privilege of absurdity; to which no living creature is subject but man only . . .

—Thomas Hobbes

IT WILL BE no digression here to swing our attention to the relation of landownership to monopoly. And there is, perhaps, no more interesting way to approach the subject than to turn to old man Aristotle who, in his *Politics*, tells the following story about monopoly:

There is the anecdote of Thales the Milesian and his financial device, which involves a principle of universal application, but is attributed to him on account of his reputation for wisdom. He was reproached for his poverty, which was supposed to show that philosophy was of no use. According to the story, he knew by his skill in the stars while it was yet winter that there would be a great harvest of olives in the coming year; so, having a little money, he gave deposits for the use of all the olive presses in Chios and Miletus, which he hired at a low price because no one bid against him. When the harvest-time came, and many were wanted all at once and of a sudden, he let them out at any rate which he pleased, and made a quantity of money. Thus he showed the world that philosophers can easily be rich if they like, but that their ambition is of another sort. He is supposed to have given a striking proof of his wisdom,

but, as I was saying, his device for getting wealth is of universal application, and is nothing but the creation of a monopoly.

No doubt Aristotle knew his monopolies. But what he didn't say about them is far more important. He forgot to point out that Thales's monopoly had to break up after he made his one big killing, for the olive growers certainly wouldn't have allowed themselves to fall into the same trap a second season. Nor did Aristotle explain that the wise old Thales couldn't have charged any amount he pleased for the olive presses. The most he could



have gotten would have been a little less than what the finished olive oil would sell for at the market. If Thales had demanded more than that amount, the olive growers would have found it more profitable to allow their crop to rot on the ground and then to build new presses for the next year's harvest. As a natural result, Thales's monopoly destroyed itself.

That is what happens, even today, whenever someone corners the market in commodities like wheat, cotton, coal, oil, or any other thing produced by labor and capital. The man or group of men who succeed in monopolizing commodities might, as Thales did, make one killing; but within a short time their mo-

nopoly would destroy itself and the speculators would then have to scurry around to find another angle.

For example, if a group of American speculators manages to buy up all of the nation's wheat, every American who needs wheat will have to pay the exorbitant price asked by the speculator, or he will have to do without wheat. But the resulting high price of wheat, driven far above its natural level, encourages farmers from all over the world to raise as much wheat as their land will grow, and then to rush it to the American market. They do so not because they love Americans but because, being human, they want to cash in on the unusually high price offered by Americans made desperate for wheat as a result of the speculators' cornering the market. Consequently, so much wheat arrives that there is soon more than enough to supply the demand, and as is usual when there is more of anything than is wanted, the price drops even below what would have been its natural level if speculators hadn't tried to gain a monopoly. The natural result of the speculators' "cornering the market" is to tempt so much wheat into the market as to destroy the abnormally high price that makes a monopoly worth having.

The only time a monopoly doesn't destroy itself is when it is protected with a high tariff wall, or other exclusive privilege, set up by government officials. For high tariffs prevent foreign goods from coming in to relieve the monopoly-created shortage, and as a result the industry protected by the tariff can enjoy its monopoly as long as government permits the tariff to remain in force. At the same time the high tariff enables the privileged manufacturer to make his own countrymen pay him much higher prices than they would have to do if no tariff wall had been set up by the government. The wool monopoly, the leather monopoly, and the photographic-film monopoly are typical of government-supported rackets. Every year citizens are compelled to pay millions of dollars out of their earnings to these monopolists in higher-than-natural prices, only because tariff-protected monopolies are granted and supported by an obedient government. If the government didn't support these industries with high

tariffs in order to keep foreign competition out, prices would of course be driven down by foreign competition, and more shivering American children might be able to afford warm wool coats, and some of our barefooted ones might own real leather shoes.

But there is still another type of government-supported monopoly that is little different from the others: the patent monopoly. Most of us have been taught to believe that a patent is given to an inventor to encourage him to invent, and that without patent protection for the inventor, invention would stop. Only recently, Lawrence C. Kingsland, U.S. Commissioner of Patents, said almost exactly that at a seminar sponsored by the Associated Industries of Rhode Island:

One of the major reasons that we of the United States enjoy the material advantages that we do is the fact that our patent laws provide for the protection of inventors, affording the incentive to create new instrumentalities and methods which contribute to our high standard of living.

What Mr. Kingsland implies is not altogether true, for if "the fact that our patent laws provide for the protection of inventors," as he says, really helped make us the wonderfully high-standard-of-living nation we are, we should imagine that where standards of living are lower than ours the inventors aren't given patent protection. The fact is that all civilized nations have patent laws, and, as we know, the standards of living of the masses in all nations is far from good, much less *high*.

The truth is, man couldn't stop inventing if he wanted to, since it is his nature, as we have seen (Chap. 9), to invent. He invents things not for money but simply because he is always looking for an easier way to do something. We know, as a matter of historical fact, that man was inventing things thousands of years before there were patent laws to "afford him an incentive." Men like Jefferson, Franklin, and many other colonial gentlemen invented many things, some of which we still use, without a thought of patenting them. In fact, the inventions from which

all modern inventions stem—the wheel, the lever, the gear, and even the original steam engine—weren't patented.

Moreover, very few inventors have made very much out of the patents they received from their government. Most basement-and-attic inventors end up by selling their inventions and patents to large corporations for a fraction of their true value. And, as often as not, the large corporations buy the inventions from the inventor not for the purpose of producing the invented item but to keep it off the market deliberately, and to forbid others who may think of the same idea from producing a similar item. A large oil company might buy up patented formulas for cheaper-than-gasoline fuels only to protect its own interests. A printing-equipment manufacturer might buy up and hide away inventions that, if produced, might make its printing presses or processes obsolete and worthless. To argue, then, that the purpose of our patent laws is to protect the inventor is sheer nonsense. We don't have to think too hard to see that many cartels and monopoly corporations would immediately collapse if all patent laws were repealed. For it must be obvious that the very essence of most cartels is the legal power, given by our patent laws, to say, "We can fix prices on our goods as high as we please, divide the world market between us, and keep competition from coming in to spoil our racket, because our governments have given us the exclusive right to produce this particular thing." It is interesting to note that two of our most famous inventors, Thomas A. Edison and Henry Ford, agreed that all patent laws should be repealed, since they benefit the manufacturer and not the inventor.

Originally, patents were special privileges given not to inventors but to court favorites by grateful kings and queens. For example, Sir Jerome Bowes was given a patent right—the exclusive right—to make drinking glasses in England. Jerry didn't even pretend to have invented the drinking glass. Nevertheless, no free Englishman thereafter was allowed to make and sell a drinking glass without paying Sir Jerome a royalty. He received the patent from Queen Elizabeth only because she was fond of

him and wanted to see him get ahead and, incidentally, because Sir Jerome agreed to hand over a percentage of his swag to Good Queen Bess every year. Elizabeth gave similar patents to many of her favorites, always with a "kick-back" understanding. To some she gave patents on goods, and to others she gave land patents. In 1578, for example, she gave Sir Humphrey Gilbert a patent right to all the land he could discover in America, and royal permission to collect rents from anyone who wanted to settle on "his" land. In return, he agreed to turn over "one-fifth



of all gold and silver discovered" to the Queen. James I, who followed Queen Elizabeth as England's ruler, gave the first Duke of Buckingham a much better patent; the exclusive right to make silver and gold thread in England. That paid off very well, for it enabled Buckingham to become one of the wealthiest men in the kingdom—wealthy enough to woo and to win the heart of the Queen of France.

But all patents aren't intended to give a political favorite an exclusive right to make things like drinking glasses and metallic thread. In *Webster's Collegiate Dictionary* we find that a patent is "an official document conferring a right or privilege . . . an

instrument making a conveyance or grant of public lands. . . ." The land patent—giving a "grant of public lands"—is by far more valuable. Buckingham's patent, allowing him to collect tribute from all Englishmen desiring to make gold or silver thread, couldn't prevent Englishmen from using substitutes rather than pay tribute to the patent-holding monopolist. Nor is a patent on an invention a very powerful privilege—as special privileges go—because it lasts only a limited time. But a land patent gives exclusive rights to collect rents *forever*, for generation after generation, and unlike things like drinking glasses and gold thread, it can't be replaced with a substitute. The land monopoly continues to live and grow stronger without the help of tariffs set up by government officials. When sugar or cotton is "cornered" by speculators, foreign cotton or sugar, even in spite of high tariffs, soon overstocks the market and breaks the monopoly. But it is impossible to import more land. That just can't be done. Consequently, the land monopoly is the strongest of all.

The fact that there is no substitute for land is more important than it seems. When the price of butter is too high, people switch to oleomargarine, lard, or doing without. When wool prices shoot up beyond the reach of the consumers' pocketbooks, less expensive rayons and other substitutes may be used instead; and when leather prices climb too high, imitation shoe leather and cloth can be substituted—in fact we can even go barefoot. It is because man can develop substitutes when prices climb too high that even the manufacturers of tariff-protected monopoly goods are unable to boost their prices beyond a certain point. For if they allow their prices to climb too high they'll lose their market to the manufacturers of cheaper substitutes. Their monopoly, consequently, is at least held in check, despite its tariff protection. But when land prices and rents rise as a result of all land being held in a few hands, the people must pay; for they can't live without land, and there is no substitute.

Most civilized nations have laws forbidding monopolies. But these laws are always directed against businesses where no actual

monopoly exists—or against relatively unimportant monopolies that exist only because they are supported by special privileges of one kind or another, granted to a favored few by the same government that pretends to try to fight monopoly. But no nation, not even a socialistic one, has ever dared enforce laws against land monopoly. The nearest thing to that would be the Russian system of taking the land monopoly away from one group of citizens (the Russian nobility) and putting it into the hands of the government. In effect, land monopoly hasn't been destroyed in Russia but has simply been transferred from the control of Czarist monopolists to that of Soviet monopolists. And as we might expect, the result is that every Russian man, woman, and child—exactly as under the Czars—must pay his present masters with their labor, from birth until death, for the privilege of occupying that part of the planet Earth that happens to be controlled by the Russian government.

It is no different in the rest of the world. It doesn't matter whether a nation is a monarchy like England, a dictatorship like Russia, Spain, or Argentina, or a republic like our United States—the citizens must pay a large portion of their earnings in rent to a land monopolist for the privilege of occupying and improving the earth. And, just as the people of Russia must pay with their labor for permission to live on the Russian part of the planet, we, too, pay with the products of our labor for permission to occupy "the land of the free."

To put it all in a few words, monopoly in things produced by labor and capital lasts a very short time—a few months or a year at most. With the aid of government tariffs and patents, a monopoly in manufactured goods may continue to bleed the public for a few years until it is broken by the consumer's turning to cheaper substitutes. But a land monopoly lasts forever.

One word of caution: let's not confuse the word *monopoly* with *big business*; or the term *big business* with *privileged business*. Although our newspaper writers, radio commentators, and authors often use the words interchangeably, three entirely dif-

ferent ideas are involved. The difference can be best defined if we consider the so-called chain-store monopoly which some of our congressmen have been trying to outlaw. No matter how many cleverly worded laws the congressmen pass, they can't possibly destroy chain-store monopoly—simply because there is no such thing!

If the government gave the chain stores subsidies like those it gives the miners and farmers; or tariff protection like that which it gives our manufacturers, chain stores would be *privileged business*. For they'd be given privileges not given to their competitors, the independent merchants. But the chain stores do not receive government subsidies or tariff protection or patent rights and therefore are not *privileged business*. They are simply small business grown up to become *big business*.

Chain-store operators could hold a monopoly only if they owned most of the land along the nation's Main Streets, since such ownership would give them the power to exact rent-tribute from all merchants who wished to compete with them. The chains, in that instance, would be holding a monopoly on retail sites without which the independent merchants couldn't compete on equal terms.

But since chain stores, even the biggest ones like the Great Atlantic & Pacific Tea Company, and Woolworth's, receive no special privileges from government and own almost no land at all, they can't be considered monopolists in any sense of the word. That the chains don't enjoy a monopoly should be clear even to our congressmen; for they certainly must know that the function of a monopoly is to enable the monopolist to get *more* than the market price for his goods. A monopoly that didn't do that wouldn't be worth owning. But chain stores charge the consumer *less*—not more—than the market price, which is hardly the sort of results we'd expect from monopolies.

Actually, chain stores are nothing more than *big business*. And big business, as the Poleco-ist uses the term, is simply a small business that served the public better, operated more efficiently, and as a natural result has grown big. But until we discover at

what figure small business ends and where big business begins, neither term means anything. Big or small, so long as it does not enjoy special privileges from the government or the privilege of landownership, business is business.

If congressmen would think, they would recognize the fact that chain stores are a natural development of the free competition which the communists and socialists have been trying to do away with ever since the days of Karl Marx. Chain stores are working examples of the free-enterprise system that congressmen in their Fourth of July speeches credit with having made the American people the freest and most prosperous in the world. For congressmen to shackle the chain stores simply because they don't see the difference between *big business, privileged business*, and *monopoly* is to work hand in glove with socialistic theory and to destroy the free-enterprise system they pretend to love. If chain stores seem to be driving small independents out of business, and if congressmen really care about the welfare of the small businessman, it might be well for both the congressmen and small businessmen to look for the solution in the natural laws governing rent and the man-made laws which grant special privileges to the few at the expense of the many. For, as we shall see, it is the corporation enjoying *special privileges* granted and supported by governments that are commonly though erroneously referred to as "big business." If the congressmen and small businessmen are the least bit aware of the facts of life, it should be as obvious as an atom-bomb explosion in New York City that so-called "big business"—the "big business" that is known to swallow up or ruin "small business"—consists, *without exception*, of corporations which are based on special privileges in the form of either land monopoly, patent monopoly, tariff protection, or a combination of all three. For the most part, however, it is land monopoly—the exclusive ownership or control of land bearing oil, iron, copper, gold, bauxite, timber, or other nature-produced natural resources—that gives so-called "big business" the power to destroy, swallow, or dictate to the underprivileged small businessman trying to compete. In other

words, it is "privileged business" and not "big business" we have to fear; it is land monopoly and not chain-store bigness that a sincere Congress would investigate.

78

UNDERPRIVILEGE A REFLECTION OF SPECIAL PRIVILEGE

*[The history of civilized communities shows us] that one man can have a privilege only by depriving another man, or many other men, of a portion of their rights, consequently, a reign of justice will consist in the destruction of every privilege, of every right.—Patrick Edward Dove, *The Theory of Human Progression**

IT ISN'T NECESSARY to be a brilliant scholar to see that any special privilege given to one person, or to one group of persons, must be unjust to all the others. For example, a special privilege in the form of an exclusive patent gives the man holding it an advantage over all other men, for only he is permitted to manufacture and sell a particular item of wealth. Patents, then, place the patent holder's competitor at a disadvantage. But since a patent remains in force for only a limited time, after which anyone who wishes may use the patented idea, and since patented articles are never essential goods (food, clothing, and shelter), the patent monopoly isn't a very important privilege so far as its effect on society is concerned.

The special privileges given to farmers, manufacturers, and other industrialists in the form of subsidies and tariff protection

are by far more harmful to society at large. For all consumers of goods must pay out of their pocket the unearned money that goes into the pockets of the tariff-and-subsidy-protected few. If a pair of shoes made by an American manufacturer costs five dollars, an American citizen can buy four pairs for twenty dollars. But if a pair of shoes made by a foreign manufacturer costs only four dollars, an American citizen can still get four pairs of shoes for his twenty dollars, and also have four dollars left over with which to buy food and other things. In other words, his twenty-dollar bill becomes worth four dollars more—he is just as well off as if he had received a four-dollar raise in salary! However, when the government charges the foreign shoe manufacturer one dollar for every pair of shoes he sends to America, the American can't buy shoes for less than five dollars because the extra dollar that the foreigner must pay to get his shoes into our country must be added to the retail price of the shoes; as a result, the American must pay an extra dollar out of his wages, which the government gets. If he buys American-made shoes instead, he must still pay a dollar more than he formerly did; but this time it is the tariff-protected manufacturer who gets the extra dollar. Either way, the consumer is robbed of one dollar.

The manufacturer puts up a loud though not too reasonable argument in favor of tariffs, which is believed by an amazing number of people. He says that the tariffs protect the workers' jobs and increase their wages. The facts are otherwise. Tariffs are known to be one of the major causes of unemployment.[^] Moreover, wages in tariff-protected industries are at least as low as, but usually lower than, wages in unprotected industries. If we remember that tariffs must, by their very nature, increase the cost of goods, it follows logically that they must reduce the buying power—the wages—of all who buy the tariff-protected goods. And the higher we build the tariff walls the lower our national buying power—wages—must fall. That's so obvious it's hardly worth the space we've devoted to discussing it.

The subsidies paid to farmers and to other producers are other special privileges that are typically unjust. For the pur-

pose of subsidies (as our politicians admit without shame) is to keep prices up above their natural level—to increase deliberately the cost of living—during periods when most consumers are complaining that the cost of living is already too high! Here, again, the only effect subsidies can have on our standard of living is to lower it, since to increase prices by subsidy is to lower the buying power of our earnings. But what is worse, any subsidies the government pays must be taxed away from the citizens in one way or another, because the government has no money of its own. As we know, increasing taxes also reduces the buying power of the consumer's wages. One might almost think the government hated its citizens, judging by the many and elaborate plans congressmen work out to rob citizens of the wealth they, the citizens, produce.

Clearly, to tax one group of people to pay subsidies to another is horribly unfair. Not so clear, however, is the fact that subsidies aren't intended to benefit the working farmer, as he has learned to believe, but are designed to help a smaller, though far more articulate, group of our citizens. Who, and how, becomes quite apparent if we try to imagine what would happen if the government stopped handing out subsidies to the farmers. If the reader recalls the earlier chapters of this book, he will clearly see that with subsidies removed, only farmland that would produce a thousand-dollar crop at a cost of a thousand dollars in labor and capital could be used. And that, of course, would mean that any farmland less productive would have to be abandoned. Since it is necessary for our government to pay out subsidies to so many of our farmers, it is evident that many farms now in use would be among those abandoned if subsidies were discontinued. In other words, all of the submarginal land now in use would become an unwanted drug on the market. That, of course, would be a great hardship on submarginal farmers, since they would lose their farms. But a far greater hardship would be suffered by the banks, insurance companies, and other mortgage holders. For they would find themselves suddenly loaded with thousands of farms that could not be worked profitably and

could not, therefore, be sold or rented. To make matters worse, after the moneylenders foreclosed and owned all these properties—properties bringing no income—they would have to pay the taxes their tenants formerly paid for them. Being human, they hate the idea of paying out taxes for land that brings in no rent or other income.

Before subsidies were introduced, the moneylenders very often lost their shirts when prices fell. But today, by having the government keep prices up with subsidies sneaked out of the tax-



payers' pockets, the mortgage holders—the actual landowners—can't lose. That is why the little farmers throughout the country will confess that the subsidies they do receive from the government rest in their hands only a short time before they must pay them over to the real owner of their land in the form of higher rent, or in a higher cost of living, and in higher usury rates. Some of what they have left, Uncle Sam taxes back from them.

But there is one other way that farm subsidies benefit the big landowners, and that is by creating higher economic rents on better-than-marginal land. For it will be recalled that superior land produced a rent in the form of bigger crops with the same

investment of labor and capital. One needn't be too bright to see that when government boosts the price of wheat high enough to give the man on the poorest land a bare living, the higher price per bushel gives the owner of better lands an even greater rent. Since the best land is in the possession of the big landowners—not the working farmers—we may be sure they favor subsidies, too. And why shouldn't they? It means so much more wealth, in rents, transferred by our government to their pockets from those of the nation's taxpayers.

That these special privileges—tariff protection and subsidies—are as dishonest as any other form of robbery, can't be disputed. Yet they aren't quite so harmful to society as the special privilege to own land. For the horror and misery that arise as a result of landownership are, unless examined, beyond belief. Volumes have been written on the subject, and many more should be written. But for our purpose here, the following few pages will have to do.

79

LANDOWNERSHIP AND SLAVERY

Look -within. Let not the peculiar quality of anything, nor its value, escape thee.—Marcus Aurelius

THE CORD that binds landownership to slavery isn't easily seen until we search for it. But once it *is* seen, it assumes the proportions of an anchor chain and leaves us wondering why we never noticed it before. For, as we shall try to demonstrate, those who must occupy another man's land must be enslaved by him. That goes for every man who hires out his labor for wages and very often it goes for the man who hires him! This statement, offered as it is without evidence at this time, may seem somewhat too strong to the reader. But as we go

on, examining our history, reams of evidence will appear to support the charge. All the Poleco-ist asks is that the reader weigh! the evidence and then judge for himself whether freedom *is* possible where land is privately *or even publicly* owned. It goes without saying that if we are to recognize slavery when we see it^ and if we are to see the cord that binds it to landownership, we must first understand the nature of slavery.

For not all slaves were Negroes, although many of us as Americans have learned to believe otherwise. Only a very small percentage were. Men of all colors and races at one time or another have been enslaved. Almost every civilization of which we have a record has recognized the idea of one man having the legal right to own another. The Egyptians, as recorded in the Old Testament, had multitudes of slaves of many nationalities, as did the Babylonians, the Hebrews, and others of the same period. In the Roman empire at the time of its fall, there were twice as many slaves as free men; according to ancient Greek philosophers, slavery was not only legal in Greece but was considered necessary to allow the slaveholders the leisure time they required to advance the Greek culture to the heights to which it eventually soared. Less than fifty years ago chattel slavery was still legal in Greece and in Turkey, too. For that matter, even today there are many countries in Asia and in Africa where one man may own another. It seems only sensible, then, if we are to understand the nature of the crime, that we should think of slavery generally and not of the slavery of the *Uncle Tom's Cabin* variety in particular.