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### HOW SLAVES ARE MADE

*The law may make a slave, but it is beyond the power of the law to make a freeman.—Patrick Edward Dove, The Theory of Human Progression*

PERHAPS the finest demonstration of slave making and the influence of landownership on slavery is found in the familiar Bible story of Joseph and his Brethren. It will be recalled that Joseph was given a "coat of many colors," by his father, which caused Joe's brothers such envy that, with murder in their hearts, they lured little Joe to a desolate spot. But, luckily for Joe, they thought better of their plan and sold him instead to some Egypt-bound Ishmaelite "for twenty pieces of silver." The Ishmaelites, on reaching Egypt, sold Joe, at a profit of course, to Potiphar, captain of the Pharaoh's guards. Little Joe was a slave.

But he must have been a bright lad. For, within a few years, he became Egypt's most powerful citizen, outranked only by the Pharaoh himself. It seems that Joe knew a thing or two about political economy—Poleco—for it was he who taught Pharaoh the value of holding a monopoly. It all began while Joe, who happened to have been in jail at the time, was called on to explain a dream the Pharaoh had had. He interpreted it to his master as meaning that there'd be "seven years of great plenty throughout all the land of Egypt . . . and after them seven years of famine." Therefore, Joe went on to explain, the thing for the Pharaoh to do was to send his officers through the country to "take up the fifth part of the land" (undoubtedly the most productive land) and to store its produce away until hard times came along. The Pharaoh must have had a great deal of confi-

dence in Joe, for he gave him the job of going through the country to "gather up all the food of the seven years [of Plenty]" and then to load it into the royal warehouses. Joe did as he was told, and by the time the seven years of prosperity passed, Pharaoh had his monopoly—one of the very best types of monopoly—a monopoly in food. The Bible says it this way: "And when all the land of Egypt was famished, the people Cried to Pharaoh for bread . . . and all the countries came into Egypt to buy corn; because that the famine was so sore in all lands."

Joe was also in charge of selling the food he had had stored away in the huge royal granaries. We may be sure he charged plenty for the bread and farm products he sold. For, since he held a monopoly, those who hungered had either to pay the price he asked or starve. Consequently, it wasn't long before all the money—the gold and silver—throughout the lands was safely tucked away in the Pharaoh's royal treasury. The next time the people came to buy food, they of course had no money left with which to buy it. So they "brought their cattle unto Joseph," the Bible says, "and Joseph gave them bread in exchange for horses, and for the flocks, and for the cattle of the herds, and for the asses." And, a few months later, when they came again for food, they had neither money, goods, nor animals left to give in exchange. They had nothing but their land and their bodies. It was then that the people offered to sell themselves *willingly* into slavery. "Wherefore shall we die before thine eyes we and our land? *Buy us and our land for bread, and we and our land will be servants unto Pharaoh*" So says the Bible.

Joe of course agreed. He gave the people food and they became the "servants" of Pharaoh. He didn't chain the people he had bought to Pharaoh's land. He didn't have them beaten or whipped into producing wealth for Pharaoh. Joe simply "said unto the people, Behold, I have bought you this day and your land for Pharaoh: lo, here is seed for you, and ye shall sow the land." And of everything they produced they were to "give the fifth part [twenty percent] to Pharaoh." Since Pharaoh now

owned all of the land, he held a more powerful monopoly than the one he had held before. Now he owned not only all the food that existed but all the better land, the source of all future food, as well. His "servants" couldn't live without food. So, all the Pharaoh had to do to hold his "servants" captive was to rent them his land in return for twenty percent of all the wealth they produced. No chains! No whips! Just rent!

When next we come upon the children of Israel in the pages of the Old Testament, they are no longer called *servants of the Pharaoh* but *slaves in the land of Egypt*. It is important, here, to remark that the enslaved Jews had not been rounded up and captured by the Pharaoh's soldiers but had come of their own free choice to offer themselves, their labor, and their talents *willingly* to the Pharaoh in exchange for his permission to use his more productive land in order to make a living for themselves and to provide him with a luxurious income.

After being slaves in the land of Egypt for about two hundred years, the children of Israel were led by Moses to freedom—to land they might use without payment of rent to anyone. When, after forty years of wandering, they reached the Promised Land, they divided all of it among all of the tribes. Because no two pieces of land are equally productive, some of the Israelites happened to get somewhat better land than the others received—land upon which the same amount and quality of labor and capital would produce more. Be that as it may, Moses laid down certain laws for the people—the Mosaic laws—in which he warned the Hebrews, "thou shalt not remove thy neighbor's landmark which they of old time set in thine inheritance,"

The Hebrews were further cautioned, "Woe unto them who join house to house, that lay field to field, till there be no place, that they may be placed alone in the midst of the earth." Moses was apparently trying to impress on the newly freed slaves that if they should sell their land—"lay field to field"—they would soon find themselves enslaved paupers again. The people promised, "All that the Lord hast spoken we will do." But as soon as the lean years came around again, as they always do, the people

ignored the advice they had received from Moses and went about enslaving themselves all over again.

Those tribes that had been given the least productive areas were caught short when the lean years came around. Their land wasn't productive enough to bring them a living plus the taxes and other tribute they were compelled to pay to their high priests. Consequently, before very long, heads of families had to sell what household goods they had to more fortunate neighbors in order to get food. Later they had to sell their animals and then



their land and finally, having nothing else, they sold themselves. Then, as now, slavery was more attractive than starvation. The landless Hebrews found it better to sell their sons into a master's services and their daughters as handmaidens and concubines than to die of starvation. They were humans acting according to their human nature. The Promised Land to which Moses had led them still flowed "with milk and honey," but it now belonged to a few rich families who were luxuriously served and supported by their bondsmen, fellow Jews who had sold their land, permitted their landmarks to be removed, and allowed their

fields to be joined to those of more fortunate neighbors—Jews who made the mistake of allowing land, the product of God, to be owned by man. "I am the Lord, your God. . . . The land shall not be sold forever; for the land is mine . . ." (Lev. 25:23). True, the disinherited ones didn't call themselves slaves, but *bondsmen*. Like slaves, however, they did call their owners *masters*. If they themselves accepted their freedom when it was offered to them, as often happened, they couldn't take their children with them. In other words, whether the bondsmen called themselves slaves or not, their children were born into slavery, and slaves they remained forever! Here again let's pause to remark that the Hebrews sold themselves willingly to other Hebrews, that they weren't chained down; that they weren't captured in battle, and that they weren't dragged unhappily from their homes. They offered themselves, their children, their labor, and all that their labor might produce to fellow countrymen, in exchange for enough food, clothing, and shelter to keep themselves alive. In practice, their condition was no different from nor better than what it had been in the days when Joseph's monopoly had made their ancestors the slaves of the Egyptian Pharaohs. An almost identical pattern might have been seen developing in Asia around 75 B.C. The following, taken from Plutarch's *Lucullus*, demonstrates again that under certain conditions man necessarily and naturally enslaves himself:

Lucullus . . . having no war to divert his time, spent it in the administration of law and justice, the want of which had for a long time left the province a prey to unspeakable and incredible miseries; so plundered and enslaved by tax-farmers and usurers, that private people were compelled to sell their sons in the flower of their youth, and their daughters in their virginity. . . . In the end, their lot was to yield themselves up [as] slaves to their creditors . . . inasmuch as slavery was no less than a redemption and a joy to them.

From what has gone before, it would seem that it isn't people who enslave other people but that it is poverty that leaves man no choice but to offer himself and his children to a master;

that it is being cut off from productive land that makes man so poor that the security offered by slavery appears to him more attractive than freedom.

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### HOW FREE LAND FREES SLAVES

*Again, it is noble not to practice any sordid craft, since it is the mark of a free man not to live at another's beck and call.*

—Aristotle, *Rhetorica*

IF IT IS TRUE that slavery results when man can't get at the land without selling himself for the privilege, it should follow logically that there can be no slavery where he can get at free land. Fortunately, our histories do report periods when free land was available and—of course—periods when it was not. If we examine conditions during those periods, and find that voluntary slavery always exists when all land is owned, and that it can't exist when some land is free, we shall have proved, beyond doubt, that free land means free men.

Up until the time the Americas were being settled, most of the people in Europe were *serfs* who, without question, served their landowning masters—the nobility—as any good slave might be expected to serve. Like slaves, the serfs produced every bit of food, clothing, shelter, and other forms of wealth that existed throughout the realm. Like slaves, they were permitted to keep only as much of the wealth they produced as was necessary to keep themselves alive and fit to do another day's work. Because the nobleman owned the land upon which his serfs worked, he had the power and the legal right to own them as well as everything their labor and talent produced. It is axiomatic that who-

ever owns the land owns every improvement, animal, and human being on it.

The serfs never thought of escaping to freedom. It is doubtful whether they even suspected that they weren't free. But even if they did, there was no place to which they might have run—at least no place where they might expect to be as safe or where they might expect to be as well fed, clothed, and sheltered as they were in their master's huts. All of the land in Europe was owned by someone and, therefore, to escape from one master was merely to become the property of the particular landowner on whose land the slave happened to find himself when he finally stopped running.

But in America things were different. Many of the millions of paupers and prisoners with which the British Isles, as usual, were loaded, had been shipped to America, where there was a shortage of labor. In exchange for their passage and a master's food, clothing, and shelter, the paupers and prisoners agreed to sell themselves as *indentured servants* to an American master for a set length of time—anywhere from three to ten years—after which they were to be set free. The trouble with this arrangement was that almost the very moment the indentured servant landed on American soil, he began to thirst for freedom—something he had never thought about before. And so, at the first opportunity, he ran off to the frontier and became free. He was able to run off, as the European serf wasn't, only because almost the entire continent was a wilderness of wonderfully rich land that belonged to nobody. The soil was excellent. The forests were loaded with fur-bearing and edible animals and with berries and nuts and timber with which strong, weathertight houses and barns might be built—timber from which barrel staves could be made. (There was a big demand for barrel staves in those days, and our escaped slave often became prosperous selling them to ship captains.) The rivers teemed with fish. And all this was free. All of this land he could turn into wealth by simply adding his labor and capital to it. All of it became wages for the former slave.

Consequently, so long as there was free land to run off to, slaves in America could be held *only by force*. Unlike the children of Israel, the early settlers didn't offer themselves willingly to a master in exchange for a few loaves of bread, a few pieces of clothing, and a roof. They didn't have to because, unlike the land



of Egypt, land was free in America, and to it a slave might go to gain his freedom and self respect, and there, incidentally, he might gather wealth. As Beard wrote of this period:

Nearly everywhere independent pioneers and indentured servants made trouble by running off to the frontier, building homes of their own in the wilderness fringes of the colonies, and demanding . . . equal rights in colonial government.

Because so many enslaved whites ran away, the shipping of paupers and prisoners to America failed to provide the labor so desperately needed here at the time. It simply added to the number of rebellious American landowners—escaped slaves who dared believe that no man—not even the king—had the right to tell them what to do. Americans began to realize that every



man is born with certain natural rights: the right to own himself, his labor, and all the wealth his labor produces.

These radical ideas, literally born of free land, eventually spread to Europe; and people there, too, began to doubt that kings and idle aristocrats had any right to the taxes and rents they had been taking from the people. They began to see that the tithes being collected by the church were being pocketed by the church,\* were making idle aristocrats of the clergy, and were not being used for "God's work." The Bishop of Strasbourg had an annual income of approximately half a million francs. Cardinal de Rohan collected 2,500,000 livres per year, for which he discharged few spiritual duties, while some small country curates, on the other hand, earned no more than 750 livres a year. For the first time the little people of Europe were becoming aware that they had rights as individuals . . . that they were the property neither of the state nor of landowners. Celebrated scholars took up the fight for freedom: Godwin, More, Locke, Rousseau, Voltaire, Quesnay, Adam Smith, James and John Stuart Mill, Dove, Hume, and others. Our American Revolution and that of France were natural results of the realization that the only difference between a free gentleman and a groveling slave is, as Dove expressed it, as follows:

A serf is a man who, *by the arrangements of mankind* [by man-made laws], is deprived of the object [land] on which he might expend his labor or of the natural profit that results from his labor; and consequently he is under the necessity of supporting himself and his family by his labor alone. And a lord or an aristocrat is a man who, by the arrangements of mankind, is made to possess the object [land]; and who consequently can support himself and his family without labor, on the profits created by the labor of others.

\* The church paid approximately one percent to the King for the tithe-collecting privileges.

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### SLAVERY IN AMERICA

*My paramount object in this struggle is to save the Union, and is not either to save or destroy slavery, . . .*

—Abraham Lincoln, letter to Horace Greeley, August 22, 1862

WE BEGIN TO SEE a conspicuous connection between free land and freedom. It would seem that wherever there was still free productive land to which man might go to work for himself, he didn't willingly offer himself as a slave; but wherever the only free land open to him was too poor to give him a living, he invariably ended up by giving himself to a master in return for a bare existence. The slaveowner, we also observe, was always a landowner. There seems to be no exception to this rule anywhere in history. One other thing about slaves seems to be generally true: for the most part they were not held in chains, nor even against their will. The exception is the Negro slaves who were captured and brought to this country to serve the plantation owners of the South. The question that arises and must be answered if our investigation is to be complete is: why was it necessary to hold Negro slaves against their will if, as we have seen, slaves usually gave up their freedom—gladly—to a rich master?

Because Americans in those days were able to work for themselves as their own bosses whenever they chose to take up a piece of free land for themselves, hired labor was always scarce. White laborers didn't have to compete with each other for jobs, because there were always more jobs than there were men willing to hire themselves out. Consequently, a laborer couldn't be hired for less than he could earn for himself on marginal land. His

employer, therefore, couldn't make a profit on the labor he hired and, since he couldn't possibly work his plantation alone, he was left with no choice but to use only as much land as he and his family could cultivate—or to manage somehow to buy labor on which he could make a profit. Being a human seeking to satisfy his unlimited desires as easily and inexpensively as possible, he chose to buy some of the kidnapped Negroes that were being offered for sale by the slave traders whose ships were anchored in American harbors.

But let's make sure we don't misunderstand. It wasn't just human beings that the colonists wanted. If it were, the slave traders, most of whom were loyal Englishmen, could have saved themselves the long trip to Africa. They could have filled their ships right at home with the millions of white paupers with which England was overrun. Nor was it cheap labor the slave traders bought for a few trinkets from African chieftains. For if cheap labor were to be "had in Africa, we may be sure that British manufacturers, landowners, and mine owners would have bought some to work their machines and land. We know they didn't buy Africans, although the law permitted them to, because they had millions of hungry men, women, and children who gladly hired themselves out for far less than it would have cost to feed, clothe, and shelter an African slave. It is interesting to note, in passing, that American lecturers visiting England before the Civil War, intending to horrify the people with reports of the terrible life the Negro slave suffered in the colonies, had a difficult time. For the "free" Englishmen saw nothing horrible in the slave's condition. So far as they could see, the American slave enjoyed a higher standard of living than they.

No, it wasn't cheap labor, but any labor that could be hired *profitably* in America without fear that the laborer might run off to be his own boss. To get such labor, it was necessary for the plantation owner to buy human bodies he didn't want—just as the housewife today must buy a pound of unwanted feathers, bones, intestines, feet, and head in order to get a pound of chicken meat. The colonist just couldn't buy profitable labor

that wasn't wrapped up in a human body. He chose a black human body that could be easily identified as a slave if it should try to run off to the frontier for freedom.

There was another way an American farmer could get the labor he needed so badly. For example, he could use the labor of his children and wife; but even they, in effect, became his partners rather than his employees. This fact, too, gave rise to an interesting condition. A widow who had been left with six children in those days could find a husband much more easily than could a widow with only two children, or a maiden with none, because each extra child meant additional labor which the stepfather could use immediately to work his land. Today, to the young man thinking of marriage, a widow with children merely represents so many extra mouths to feed. In fact, even a wife who bears a child or two today is often looked on as being inconsiderate by her husband, who realizes that every extra child means a lower standard of living for the whole family.

But to get back to the labor-seeking plantation owner: he couldn't hope to work his lands with his children alone. Plantations are very much larger than farms and require many times more labor than any normal man and wife could possibly dream of bringing into the world. It was still a matter of either buying human bodies in order to get the labor locked up in them, or of giving up the idea of being a plantation owner. Being human, the plantation owner bought slaves.

It shouldn't be assumed that the slaveowner liked the idea of having to buy human bodies in order to get labor. To see that he didn't like it at all becomes quite easy if we bother to read the many letters written by plantation owners of those early days. Like most humans, they wanted material wealth, riches, leisure, comfort, position; and if they could gain those things only by enslaving other men, they very humanly became parties to the crime of holding another man, against his will, in bondage. In the North, businessmen and farmers working small areas could grow wealthy without the aid of slaves and, accordingly, used the Negro mostly for nonproductive domestic service.

Most people today will agree that every man is born with the absolute right to own himself, all his energies, and all that those energies produce. It can't be denied, then, except by socialists, communists, and other dictators, that it is indeed a violation of a man's rights for another man or a government to own him. On the other hand, few of us seem to see anything wrong in one man buying and owning the labor of another. We see it done every day. We buy other men's labor by the hour, day, week, year—as much or as little as we choose: and we own as much of the labor as we pay for and all the wealth it produces. It may not be immediately apparent to the reader, but there is something contradictory here. For what difference can it make if we buy a man's labor alone, or if we buy it wrapped up in a human body? If we put emotion aside and approach the question with cold reason, we must concede that there isn't any real difference. For the slave's body is useless.

When we buy a slave we don't buy him for the same reason we buy a horse or cow. A slave's body, unlike the cow's, can't be milked, nor can it be sold as meat and hide after it's slaughtered. The slave's body as such has no economic value. Only the slave's energy—his labor—and not his body makes him valuable to his master. And the slave's labor is valuable only because of the wealth or services it produces for the owner. True, the slave, like the horse, can be used to "tote that barge and lift that bale"; but he can also be used to plant the cotton, pick it, put it through the gin, and tie it up in bales before he "totes" it. Unlike lower animals, he can cook, serve at table, keep books, and do everything a free white man can do. Obviously, then, the slaveowner bought humans only for the *intelligent* labor wrapped up in their bodies, and not for the bodies themselves. If he could have bought labor on which he could make a profit without buying bodies, we may be sure he would have preferred to do so.

Even fifty years before the Civil War, in some parts of the South, Virginia especially, supporting a slave was often more expensive than hiring free white labor. Consequently, many slaveowners of Jefferson's day tried to get rid of the human beings

they owned. Some, having little feeling, sold their slaves down the river to New Orleans, where working conditions were so bad, few unemployed whites could be induced to work down there. Other plantation owners set their slaves free to shift for them selves. But since the freed slaves had to compete with unemployed whites for jobs, they rarely were able to support them selves. Other slaveowners went into debt rather than turn their slaves out into a world in which the cards were so completely stacked against them. By the time Lincoln signed the Emancipation Proclamation, the plantation owners in the South weren't so unwilling to give the slaves freedom as we might gather from our Lincoln's Birthday orators. They were able to replace their slaves with free white labor at a much lower cost; and if the government would have consented to buy their slaves and then set them free, as they asked, we might have saved the ten billion dollars that the Civil War cost us, and Lincoln wouldn't have had to sign the Emancipation Proclamation.\*

During the period that slaves were being brought here against their will, boatloads of white foreigners, attracted by stories of free land and fabulously high wages in America, poured into this country as fast as they were able to borrow, beg, or steal enough money to pay their passage. The Beards, in their *Basic History of the United States*, tell it this way:

In some of the English towns at the opening of the seventeenth century as high as one-third of all the inhabitants were paupers dependent for a living on the charity of their neighbors. . . . *Since most of the land was monopolized by great landlords*, it was difficult for anyone to buy a farm; and the oversupply of labor in the cities made competition for jobs an agonizing struggle. When the cry that cheap land, even free land, was offered to immigrants in America rang through the streets of English towns and cities, and through the byways of the English countryside, it awakened in the imagination of multitudes of nameless men and women a dream of

\* The cost of the Civil War was more than ten billion dollars. Freedom for the four million slaves before the war could have been bought for less than a third of that amount.

liberty, security, and advancement such as never before had come to toiling masses in the Old World. Even the homeless and property-less were stirred by news from some of the colonies that, if they would bind themselves to service for a term of five years, they would receive at the end of their indenture at least fifty acres of land for their own.



As more and more Europeans poured into America, more and more land was fenced in—some to be worked and some to be held in speculation. And of course, after the best land was taken, the next best was put into use and then the next best and so on, until finally only land that couldn't possibly produce a living was left—and even that had to be paid for. Soon after we won our independence from England, the "magic margin" had been pushed out so far, the wages a free man could earn on the least productive land in use was less than the cost of keeping a slave. And since wages on all land, the best as well as the worst, is no more than can be earned at the margin, it became cheaper to hire a free man for wages than to own and support a Negro slave. Shortly before the Civil War, it was common for one master to rent out his slaves to another for \$150 a year, with the understanding that the new master would feed, clothe, and shelter the hired slave. After the war, the most a free Negro

could get for his labor on the open market was \$120 a year, out of which he had to provide his own food, clothing, and shelter—indisputable evidence that the cost of labor without a body—white or black—had fallen far below the cost of owning and supporting a human being. We might say that land speculation, by driving wages down to a level below the cost of keeping a slave, was the actual liberator of the chattel slave—and the creator of the economic slave.

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### THE CORD THAT BINDS SLAVERY TO PRIVATE OWNERSHIP OF LAND

*Let the political arrangements be what they may, let there be universal or any other suffrage, so long as the aristocracy have all the land, and derive the rent of it, the laborer is only a serf, and a serf he will remain until he has uprooted the rights of private landed property. The land is for the nation, and not for the aristocracy.—Patrick Edward Dove, *The Theory of Human Progression**

So FAR we have tried to show that wherever we found land privately owned we found voluntary slavery—men selling their labor and the fruits of it for a bare subsistence; and wherever we found productive land not completely owned, only chattel slavery was seen to exist. Now we shall show that the landowner's legal right to collect rent from those who must use or occupy his land is the cord that binds slavery to private ownership of land.



In olden days, under the feudal system, the land of all nations was owned by kings, churchmen, dukes, barons, and lesser noblemen. The serfs—every man, woman, and child—literally belonged to the landowning nobleman. Being the owner of the land, the landlord had as much right to do as he pleased with any person on his property as he had with the cows, sheep, and dogs he owned. In return for giving his serfs the privilege of occupying and working a small section of our planet Earth, he demanded and got any services he wanted from them. For about three days out of every seven, he'd have them farm his land, care for his sheep, build and decorate his castle, cook his dinners, serve his noble guests, and keep his roads in good condition. In return, the landowner gave his serfs his protection, and allowed them to use the rest of their time to work for themselves on a piece of land their master generously permitted them to use.

Sometimes a serf would find that his little patch of land, if worked six days instead of three, might produce more food or other wealth than he needed to keep himself and his family alive. At such times he would respectfully approach his lord—head humbly bowed, to beg to be excused from doing his master's work around the castle. The lord, we may be sure, wasn't going to allow his serf to go into business for himself. Like the human being he was, the lord didn't like the idea of losing the free labor he had been getting. And yet, quite often, he would agree to excuse his serf from castle service, but with certain conditions attached. His serf could have his permission to devote all of his time to working his own little patch of land if he would agree to pay his master a *quitrent*—a certain part of everything he, the serf, produced working as his own boss.

There was no sensible reason why the serf should have agreed to give up any of the wealth he produced with his own labor and capital, since it was rightfully his; but sensible or not, there were two very good reasons for his agreeing. First, there was nothing to prevent the lord's having this upstart serf slaughtered or tortured by other serfs who served their lord as strong-arm men and policemen; Second, the serf had been carefully trained since

early childhood, by the church of the area, to believe that it was God's will that the lord of the manor should rule over him; that he could expect to remain in God's good graces only by obeying the laws made by his master, no matter how silly or unjust they might seem. And so, to avoid being slapped around and to assure himself a place in heaven, the serf who wanted to be free to work for himself had to agree to pay his master a quitrent every year; and the amount, by the strangest coincidence, was usually equal to everything the serf produced over the amount he needed to keep himself and family alive.



With the passing of years, the word *quitrent* was shortened to *rent*. And the rent we pay today for the right to work or live on a piece of land—in a city or out of town—is exactly the same as the quitrent our serf ancestors paid to their masters. But the method of payment is slightly different today. Instead of paying the landowner in goods and service, we sell the wealth we produce, or our labor, for a certain sum out of which we pay our quitrent. And instead of paying all of the quitrent to one person for protection plus the privilege of using part of the Earth, we pay the landowner for the use of the land and the government (in taxes) for protection. But the result is the same: the small businessman and the hired laborer are left with a bare living. With the taxes it collects, government provides certain public

services and civic improvements, and maintains a police force to guard the citizens' legal—*not natural*—rights. Since all of these improvements provided by government tend to increase the value of the land—to increase rents—and since they are paid for in taxes taken out of the earnings of those who occupy land, the landowner of today, in effect, gets all of the benefits of the rent and taxes paid!—just as he did in feudal days.

Before the colonists who first settled this country came here, they had been carefully taught from early childhood that it was proper for one man to pay another for the use of the Earth, which neither had produced. And yet, after reaching America, they objected to paying rent and taxes. However, the habit of paying was so strong, many of them did surrender a small quitrent to the Crown each year. In Pennsylvania they paid about twenty cents a year for the use of a hundred acres; in Carolina they paid a halfpenny for each acre; in Maryland, ten pounds of wheat for every fifty acres. But even at such ridiculously low quitrents, by the time the Revolution broke out, the British crown was collecting around 120 thousand dollars a year—a lot of money in those days. After we won our independence, we stopped paying rent to the British Crown; instead, those who arrived here too late to grab land for themselves paid quitrents to fellow Americans who got here earlier, when the land-grabbing was good. And today, more than eighty-five Americans out of every hundred must pay those who actually own all of the land in the United States the same sort of quitrent—or *rent*\* as we call it today—for the privilege of working and living on land nobody rightfully owns.

\* The rent, or quitrent, of which we are speaking must not be confused with the money we pay for the use of an apartment, a house, or a store. We are speaking only of the payment for the use of the land upon which those improvements rest. It may come as a surprise to many tenants to learn that the owner of the apartment house and store for which they pay "rent" rarely owns the land upon which he has invested his capital. The men we commonly call landlords are, more correctly, improvement owners, and are themselves, more often than not, tenants of the real landowner. Sometimes these improvement owners pay quitrent to an individual, sometimes to a bank or insurance company, and sometimes to a church, college, or other worthy institution; but always, they must pay.

The amount of the rent paid for the use of land varies so much, it is impossible to set down a general figure. But the approximate proportion of man's earnings that is usually paid out in rents has been figured out. It will be recalled that the ancient Hebrews paid twenty percent to the Pharaoh. According to political economists of the eighteenth and nineteenth centuries, English men of that period paid as much as one-third of everything they produced; in France, just across the Channel, the free citizen paid half of his production; and today, tenant farmers in America are accustomed to paying half of everything they produce to the landowner. When housing wasn't quite so scarce as it is today, most city dwellers believed that one-quarter of their earnings—a week's wages for a month's rent including the use of an apartment—was fair; but today, in spite of laws that are supposed to be controlling rents, half of the free American's earnings, and more, must be paid for a place in which one might live almost decently. If the reader has been following the Poleco-ist's arguments carefully, it must be apparent to him that the word *rent* we use in everyday conversation is not the same rent of which Ricardo spoke. The former is really a *quitrent*, a tribute paid by one man to another for the right to use land neither has a natural right to own; a something we learned to pay as serfs serving an ancient landowner. Ricardo's rent, on the other hand, can't be paid by one man to another but is collected as a free gift from nature by the user of superior land.

Another thing: the right to take the product of another man's labor without being obligated to give him goods or services of *equal value* in return is, it would seem, the very essence of slavery. For the slaveowner, it will be recalled, owned slaves only so that he might take part of another human's production without giving him anything *of equal value* in return. Similarly, the landowner of today owns land only because owning it gives him the legal right to take part of the farmers' and merchants' production without giving *them* anything *of equal value* in return. Landownership, then, gives the power to enslave, while *quitrent*

*and taxes* provide the whip with which the "free" citizen is kept loyal, productive, and obedient.

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## 84

### FREEDOM IMPOSSIBLE WHERE LAND IS PRIVATELY OWNED

*Man is born free; and everywhere he is in chains. One thinks himself the master of others, and still remains a greater slave than they. —Rousseau, The Social Contract*

WHETHER a man is black or white or is called slave or freeman, he isn't any more or any less a slave. Giving a man the right to vote, to work where he pleases, or to work or not as he chooses doesn't necessarily give him freedom. So long as a man can't own every bit of what his labor and capital produces, he isn't free, regardless of his color or position.

Nor does the fact that an employer hires the labor of others make him more free than they. For with each additional tax on the earnings of his labor or capital, he is being denied his natural right to own all that his labor and capital produces. And with each increase in monopoly rent which the employer and employee are compelled to pay out of their production, they are that much closer to being serfs no different from those who served their feudal lords a few hundred years ago. In Russia, where everything above a bare living is taken from the citizens by the government (which under communism is both landowner and tax collector), the "free" comrades are completely enslaved and live on a lower scale than most of our Negro slaves did before

the Civil War. In the United States, where men still enjoy the greatest freedom found anywhere, we might say that our citizens are only three-quarters enslaved, since only three-quarters of the wealth they and their capital produce is taken from them in rent and taxes.

Nor should we suppose that we give up our rent and taxes today any more willingly than the slave gave up the production of his labor to his master. If we refuse to pay a landowner for the tiny part of the earth's surface we absolutely need to remain alive, the sheriff (who is paid out of our taxes) is duty-bound to throw us off that particular patch of land. Moreover, if we refuse to surrender to the tax collector part of the wealth our labor and capital produced, we may expect the police department and judge (whose salaries we pay) to toss us into a jail (a building for which we also pay). Today, we, the freest humans on earth, must either pay tribute to our masters in taxes and rent or be punished. If the Negro slave, or the feudal serf, or the Hebrew bondsman didn't mind being punished, he was just as free to refuse to pay tribute as we are. But, like us, they were human; and like us, they preferred paying tribute to being slapped around.

True, we Americans serve no master to whom we must bow and scrape. That is, we call no man "Milord," "Your Highness," or "Fuhrer." Nevertheless, we do support masters with the produce of our labor and capital; and we do obey, and we do overlook their many injustices. So far as slavery is concerned, it doesn't matter at all whether the rent-collecting landowner is an individual, an institution, or a government. The fact remains, in any case, those who must occupy land must pay tribute in wealth and homage to whoever owns or controls it. In some respects, as Pollock & Maitland\* wrote, it is much worse for the tenant when the landowner is an institution:

. . . there is plenty of evidence that of all the landlords the religious houses were the most severe—not the most oppressive but the most

\* Maitland, Frederic William, and Sir Frederick Pollock, *History of English Law*, and ed., Vol. I, pp. 378, 379.

tenacious of their rights; they were bent on the maintenance of pure villein tenure and personal villeinage. The immortal but soulless corporation with her wealth of accurate records would yield no inch, would enfranchise no serf, would enfranchise no tenant. In practice the secular lord (individual owner) was more humane because he was more human, because he was careless, because he wanted ready money, because he would die.

To whoever owns the land, the tenant must expect to surrender all of his earnings above what he needs to keep alive. Everything above simple food, clothing, and shelter cannot help but fall into the hands of the individual, government, or institution that owns the land. Under such conditions, how many of our free citizens, employer and employee alike, can intelligently call themselves *free*, just because they are less enslaved than citizens of other "free" nations?

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## FREE LAND

## FREE LAND

*In the West there developed a democratic society different from that of the Eastern communities. The frontiersmen were substantially equal in wealth, and equal opportunity was open to all. Land was inexpensive, easy to obtain, and quickly brought under cultivation. Thus, even the poorest immigrant, who had the necessary energy, within a short time could become independent.—Webster's New International Dictionary (National Histories section)*

IN MOST PARTS of the world, the idea of free land has been long forgotten. For countless centuries, land in Europe and in Asia has been owned by someone: either by noblemen, churchmen, or war lords. Little wonder, then, that the European and the Asiatic can't even imagine land that is free. Little wonder that they can't understand fully how important free land is to them and to their welfare. They can't suspect, any more than most of us can, that their constant warring, everlasting poverty, and never-waning hatreds toward each other are closely tied up with the fact that there is no free land in their countries; that wars, hatreds, and poverty must continue despite the laws they write, until free land does become available to them.

We in America are more fortunate. And so are the Australians and the New Zealanders, for they, like us, are citizens of new countries. Consequently, they can still remember when some very good land was still free, and how much higher wages and



interest were in their countries then than they were during the same period in Great Britain, their much wealthier mother country. Moreover, they saw their wages and interest fall as their countries became settled and the supply of free land diminished. Our own history books are full of references to our remarkably high standard of living, the complete absence of involuntary unemployment, and the rapid advances of our science, literature, arts, and invention, during the time when free land was still available in the United States. For example:

I think our government will remain virtuous for many centuries; as long as they are chiefly agricultural; *and this will be as long as there shall be vacant lands in any part of America*. When they get piled upon one another in large cities, as in Europe, they will become corrupt as in Europe.—Jefferson, *Letters*

From the point of view of labor and its prospects, therefore, a striking feature of the Industrial Revolution was the immense increase in the proportion of workers dependent wholly upon wages for their subsistence and upon the fluctuations in the market for employment. *In former days, on account of the abundance of land open for settlement on easy terms, industrious farm workers including indentured servants had good prospects of acquiring farms of their own. Labor was arduous on the land but families that tilled it could usually count on having some food, clothing, and shelter in the worst of times.*—Beard, *Basic History of the United States*

... in new American settlements, where a passion for owning land prevents the existence of a class of laborers for hire in the Northern States of the American Union, it may be doubted whether so many as a tenth of the people would fall under the description of hired laborers. ... In England . . . the laboring class compose the bulk of the people. . . . Where land is very cheap and all men are free, where one who so pleases can easily obtain a piece of land for himself, not only is labour very dear, as respects the labourer's share of the produce, but the difficulty is to obtain combined labour at any price. It does not seem difficult to find out the reasons why people multiply faster here than in Europe. As soon as a person is old enough he may marry without fear of poverty. *There is such an*

*amount of good ground yet uncultivated. . . .* —Peter Kalm, *Travels in North America* (1750)

The reader might object to our trying to prove the importance of free land by pointing to a period long past when free land referred only to free farmland. Today, he will argue, we are not an agricultural people. The millions of us who are city bred wouldn't know what to do with free farmland or timberland even if we had it. In answer to these quite valid arguments, the Poleco-ist holds that city land—just a plain ordinary empty lot—is even more productive than the richest farmland!—that a city-bred man could earn as much on a city lot thrown open to him without charge as his country cousin could on agricultural or pasture land or timberland.

Many businesses, even today, are flourishing on unimproved patches of Manhattan land. Operators of parking lots, for which they pay unbelievably high rents, do rather well on the unimproved pieces of land upon which nothing grows and from which nothing more marketable than a few discarded tin cans can be dug. In busy Manhattan, many fruit and vegetable merchants, gardening-supply merchants, and florists do an amazing amount of business on ordinary empty city lots on which a rude shack or no store at all has been built. On other patches of unused and unimproved Manhattan property, other merchants sell a wide variety of goods, hair restorers and beautifiers, Indian snake medicines, health-giving herbs, muscle-building gadgets, knife sharpeners, razor blades, kitchen utensils, fresh flowers, toys, balloons, giant pretzels, neckties, pocketbooks, hosiery, and used cars.

During the most recent of our periodic depressions, an enterprising young man who suddenly found himself out of work built a miniature golf course on an empty lot. He did so well that almost overnight the nation became dotted with these tiny golf courses, on which anyone who had a quarter to spend might amuse himself. By the end of the first year, miniature golf became a twenty-five-million-dollar industry. Some capital, to be

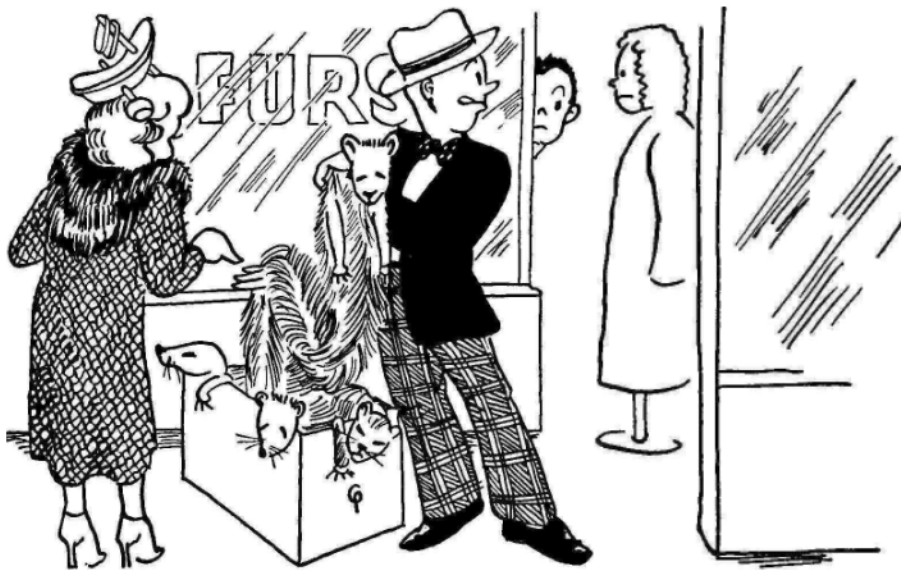
sure, was required to transform rubbish-filled empty lots into attractive miniature golf courses, but for the most part it was self-employed labor—physical and mental—that did the job. Most of the operators made rather good livings, and many survived throughout the ten years of depression. Unfortunately, the sudden demand for empty lots on which to build miniature golf courses soon tended to boost the rent so high on these garbage-garnished pieces of land that little was left for the laborer-capitalist after he had paid his "rent" to a landowner—a landowner who had done nothing more to earn the rent than to allow his tenant to clean it up and use it! During that same period, many empty lots were turned into beer gardens, some into drive-in lunch counters, others into tennis courts. Most of these enterprises, without any help or "charity" whatever from the government, enabled men who had been thrown out of work by the depression to earn rather high wages and interest.

The pushcart peddlers who lined the streets of the lower East Side of Manhattan some years ago (many still do) sold every conceivable type of merchandise out in the gutter, which is free land. Almost all of the uneducated and illiterate foreigners who operated them earned good wages and interest. Some of those men, by hiring help, operated several pushcarts spotted throughout the area—a sort of a chain-store system on wheels. Except for a small license fee paid to the city, a little graft to the cop on the beat, and a small weekly payment for "protection" to the gang of hoodlums in the neighborhood, everything these gutter merchants produced was theirs—all of it! They paid nobody for the privilege of using a patch of the earth—the gutters—to make a living. Some of our swank Fifth Avenue shops of today began a generation or two ago as pushcarts operated on free city land.

A multitude of other New Yorkers today use the sidewalks of the city to earn their livelihoods as sidewalk peddlers. They pay no rent for the right to do so, since the streets are still public property. True, when caught peddling by the law, they are dragged to the police station, where they are compelled to pay

a two- or three-dollar fine—not for using the streets to make a living but for allowing themselves to be caught. An alert sidewalk peddler, one who is always on his toes and who keeps his eyes open for policemen, can do a brisk, profitable, day-after-day business and can keep for himself all that his labor and capital produce. He pays no rent, no taxes, no protection—only a small fine now and then.

Well known is the history of the unemployed Pennsylvania coal miners who in 1930, in the worst depths of the depression, accidentally discovered wage-paying jobs in their own back yards.



When the mines in which they had been employed closed down, the unemployed coal miners discovered that they could dig coal right out of their back yards, under which the company's mines ran. And they soon learned that they could sell it. (A man working very hard could dig up a ton of bootleg coal in a day and sell it for four dollars.) The money they got for the coal was their wages—wages they could spend to buy food, clothing, and other things. As a result, in the midst of the worst depression this country had ever known, a local wave of prosperity developed in the area. By 1937 these independent miners were producing thirty-five million dollars in bootleg coal annually. Shopkeepers,

theater owners, banks—everybody in the area—benefited; everybody was doing business; everybody was earning wages, even though the mine operators had shut down their mines seven years before. That incident, reported in the *American Magazine* (February 1937), seems to support the Poleco-ist's axiom: *"Whenever man can get at land without having to pay through the nose for the privilege, he can always hire himself and produce his own wages. Wherever man can get at free land, unemployment is impossible."*

Today, however, the man who is out of work can draw little satisfaction from this proven, self-evident truth. For he knows that with the exception of the gutters, there is no such thing as free land. And the knowledge that he might have had his choice of millions of acres of the finest United States land, for free, if he had been wise enough to be born a few generations earlier, doesn't help him very much today if he should lose his job—especially if he has passed his fortieth birthday.

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**TO OWN LAND IS TO HOLD POWER  
TO COLLECT RENT AND TAXES**

For if one portion of the earth's surface may justly become the possession of an individual, and may be held by him for his sole use and benefit, as a thing to which he has an exclusive right, then other portions of the earth's surface may be so held; and eventually the whole of the earth's surface may be so held; and our planet may thus lapse altogether into private hands. Observe now the dilemma to which this leads. Suppose the entire habitable globe to be so enclosed, it follows that if the landowners have a valid right to its surface, all who are not landowners, have no right at all to its surface. Hence, such can exist by sufferance only. They are all trespassers. Save by permission of the lords of the soil, they can have no room for the soles of their feet. Nay, should the others think fit to deny them a resting place, these landless men might equitably be expelled from the earth altogether.—Herbert Spencer, *Social Statics*

THE LEGAL RIGHT to say "*this land is mine—and only mine*" is the right to say who may and who may not use or live on the earth. Those who must use land,

and that includes everyone, must either obey the rules set down by the owner, get off the land, or be driven off by the police, army, and navy, whose only duty is to protect the legal rights, and not the natural rights, of the citizen.

When, on the other hand, free land to which the citizen can escape is still available, the landowner has difficulty in either collecting rent or exacting obedience from his tenants. Also, under such conditions, the government finds collecting taxes from its citizens without an army almost impossible. For, as we have remarked earlier, human beings instinctively object to having any part of what they have produced taken from them, whether the tribute taken is called *taxation*, *rent*, or *tithe*. Consequently, whenever free land upon which a living might be made is still available, huge populations escape to it rather than pay taxes or rent to a landowner or to a politician.

The United States, for example, is populated almost entirely by people whose ancestors came here to escape the slavery of high taxes, rents, and the resultant poverty that existed in Europe. All of that continent was privately owned by a small group of aristocrats and various churches. It will be recalled that as soon as our original thirteen states fell into the hands of a small group of land sharks and favorites of the British Crown, the "push westward" began. Those "hardy pioneers" who pushed the frontier back were not men who wanted their families to grow up in a wilderness infested by savages. And they weren't restless souls seeking adventure, as the movie makers would have us believe. They were humans escaping the slavery of increasing rents and taxation that arose as soon as all of New England became privately owned. That is a matter of history. And Daniel Boone wasn't an adventurer who was happiest when he was engaged in killing a few Indians. If his history is read carefully, we shall find that he plunged through the frontier to grab free land for an employer, a Colonel Richard Henderson whom, incidentally, Boone double-crossed. We shall also learn that neither Dan nor his father had been able to make a living back home in Pennsylvania, where all productive land was privately

owned, and that Dan had no choice but to risk his scalp prowling the wilderness in order to enter claims to free land in Kentucky. Similarly, at the other end of the world, in Australia, New Zealand, and South Africa, we find that the land there was settled by people who preferred to escape from their homes in the British Isles and to endure the hardships, danger, and uncertainty of an unsettled wilderness rather than pay tribute to British landowners and politicians. Throughout history's pages, we find the same rule holds: colonists and frontiersmen are seldom foolhardy adventurers cursed with a wanderlust, as school children are taught to believe, but are men who would endure any hardship rather than pay most of what they produce to other men.

Since the planet Earth is only so big, all of the worth-while land on it must eventually fall under the control of private owners. That is pretty much the situation today. With the exception of the impenetrable jungles in some of the hotter spots on our planet, and the ice-capped poles, there is no free land left to which the liberty-loving human of this generation might escape. True, he is free to leave the land of one landowner for that of another; the domain of one tax-gouging government for that of another; but at best he can hope only to escape complete slavery in order to gain partial slavery. And even that isn't so easy to do as it once was. For nations like Russia, that take most from their citizens, ring their borders with soldiers to keep their "loyal" subjects from escaping to comparative freedom, while nations that tax least and exact smaller rents keep their troops on their borders to keep the more thoroughly enslaved foreigners out.

It's easy to see, then, that the disappearance of free land gives a government the power to exact higher taxes. For when all free land is gone, its victims can no longer run away. At the same time the complete lack of free land also permits government to deny to its citizens their natural rights. No administration—Democratic or Republican—would have dared fifty years ago to tax a citizen's income or to interfere with his business or to tell



him what he may or may not do with his own labor and capital. It was only after all of our land was completely monopolized that government could grab the power to exact such taxes. And, as we know, it is the power to tax that gives government the power to rule without regard for the citizen's natural rights to real freedom and complete equality.

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## 87

### TWO GUYS NAMED GUS SELL PROTECTION

*Hands off! Stand back! Leave us alone! You shall not rob us of our own.*—War Song of the Boers

IN CHAPTER 37 we left Tom, Dick, and Harry squabbling over the five thousand dollars earned by their chinaware business. It will be remembered that each believed he had a rightful claim to a portion of the five-thousand-dollar "profit" because his labor or capital or land had helped produce it. We can well imagine what a howl they'd have loosed if a fourth party, an outsider, had walked in on them to demand a share for himself. For example, let's suppose that a neatly dressed young man named Gus had walked in on them while they were bickering over the five thousand dollars and had announced that he wanted fifty cents out of every dollar their business had earned. We can almost hear Tom screaming: "What? Fifty cents out of every dollar *we* made? You got a nerve."

And Dick, the mathematician, would add, "Do you realize you're asking for twenty-five hundred dollars of *our* money? What unmitigated gall!"

Harry, of course, would be equally flabbergasted: "Young man, these five thousand dollars we are trying to share are the products of our labor, capital, and land. You did nothing to produce the

dishes we made and sold. We took all the risk; you took none. How dare you demand a share, even a small share, much less half? Here's a dollar. Take yourself to a movie and leave us to our business."

All we know about the intruder is that his name is Gus. But there are many men, in various businesses, named Gus. If the unwelcome visitor happened to be Gus the Viper, an up-and-coming racketeer, he certainly wouldn't be talked out of his share too easily, if at all.

"Get wise, boys!" he might say, "I'm cutting myself in on your



business. And don't tell me I didn't do anything to produce the dishes you made and sold. I did plenty. I gave you protection. You didn't have a single fire all year, did you? Your warehouse wasn't busted into or bombed, was it? And your dishes weren't destroyed by hoodlums, were they? How much china-ware would you have been able to make if I hadn't used my influence with my associates to protect you against all that hard luck?"

"But," Tom would try to reason, "you're asking for half as your share. We don't mind a couple of bucks, but you're asking too much."

Gus the Viper is a reasonable man. "Protection," he would explain patiently, "runs into a lot of money. We gotta pay our men. We gotta keep them dressed neatly. We have to supply them with guns, ammunition, rubber hose, and lots of other expensive equipment. And we gotta have an office. And clerical help to keep records of those businessmen who are paid up and those that aren't. We wouldn't want to collect from the same guy twice through clerical negligence. All that runs into money—lots of money. It's really for your good. You certainly don't expect some other businessman to pay your share."

But Harry is the stubborn type. "We're not going to pay it. You have no authority to come in here and demand . . ."

"I've got plenty of authority." Gus takes a shiny pistol from his pocket. "Here's my authority. Me and my associates provided you with a valuable service; we protected you and your business. Now we want our share. Do I collect it now? Or must I use my authority?"

On the other hand, the visitor may not have been Gus the Viper at all. He may have been Gustave Armint, the tax collector. Mr. Armint isn't as crude as the Viper. His language is on a higher level. His arguments are fewer. But he's after the same thing: a share of the "profits" earned by the labor, capital, and land of Tom, Dick, and Harry. And he's after the same amount, since it is estimated that government taxes, by the time they land on the consumer for final payment, often amount to much more than half of the earnings of its free citizen.

Gustave Armint, government agent, explains, as Gus the Viper did, that the protection against fire and hoodlums costs a great deal. Policemen, soldiers, sailors, firemen, thousands of civil-service employees, and even tax collectors must be paid; many must be uniformed; and thousands of completely equipped offices must be maintained. All of this to give protection to its citizens—including Tom, Dick, and Harry—and to their property. In other words, Gus the racketeer and Gus the tax collector charge Tom, Dick, and Harry the same amount and for the same service: *protection*. True, the tax collector doesn't use anything

as crude as a pistol as his authority to collect; but he does use a badge that is backed up by thousands of pistol-bearing police, the FBI, and sturdily constructed jails.

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## 88

### TAXPAYERS ARE MADE – NOT BORN

*... for force is unnatural, and that is why what is compulsory is painful, and it has been rightly said, all that is done on compulsion is bitterness unto the soul. —Aristotle, Rhetorica*

IT IS EASY to understand why Tom, Dick, and Harry dislike the idea of giving up part of the wealth they produced to a cheap racketeer like Gus the Viper; for no normal human likes to submit to force or to pay tribute. It isn't quite so easy to understand why they obediently submit before the shiny badge of Gustave Armint, tax collector. Since neither Gus the Viper nor the government, represented by the other Gus, produced any part of the "profits" belonging to the three partners, one has no more right to a share than the other. And if protection against robbery and fire entitles government to a share, protection given by the racketeer entitles Gus the Viper to a share, too.

Man, it seems, always has instinctively resented being compelled by force to surrender part of his wealth which he and his capital have produced to a person or government stronger than he. In the New Testament the tax collector, referred to as a *publican*, was considered the scum of society. He was despised for good reason. Rome, we are told, after having conquered Jerusalem, sold the privilege of taxing the Jews to her wealthier Roman citizens, who in turn employed stooges, natives of Jeru-

salem, to do the actual tax gouging, while they themselves lived comfortably, luxuriously, and safely in Rome. Since the stooges worked on a commission basis and were authorized to tax at any rate they pleased, we may be sure they milked the people of Jerusalem dry. One need only read references to the publicans in the New Testament to see how thoroughly the average citizen of Jerusalem detested tax collectors—the publicans.

The only possible explanation of our three heroes' willingness to pay the taxes demanded by Gustave Armint is that they have learned to get used to the idea. Just as a wild horse that by instinct refuses to have a man ride him learns, after much whipping, yanking, and coaxing, to accept the idea of carrying a man on his back, "free" men everywhere have learned to accept the idea of giving up a great part of their wealth to the tax collector, even though paying tribute to anyone is contrary to the natural instincts of all free men. Even so, it took a long time for us, in this country, to agree to pay taxes without being forced to do so by a government-controlled bayonet. For example, Beard tells us:

John Wise of Ipswich, Mass., 1717, Harvard educated minister, as a young man resisted the attempts of the temporary royal governor, Edmond Andros, to impose taxes on the people of his town. He was arrested, tried, and convicted.

Later, history tells us, the colonists were provoked into fighting the Revolutionary War rather than submit to the soldiers who came to collect taxes for the Crown; that Daniel Shay, who had earlier served with distinction at the Battle of Bunker Hill, led an armed mob right into the Massachusetts Court of General Sessions in protest against the exorbitant land taxes. It took an army of Massachusetts soldiers to break Shay's rebellion, to teach him and his American followers that taxes *must* be paid—or else! Not long after, Alexander Hamilton, as Secretary of the Treasury, put through a small tax on whiskey that led to the famous Whiskey Rebellion. The Pennsylvania farmers declared they'd fight rather than pay taxes. President George Washington

had to send an army of 15,000 fully armed men to Pennsylvania to teach the rebels there that the freedom they had won by fighting the Revolution did not include freedom to keep *everything* that was rightfully theirs; that they'd better get used to giving up some of their wealth in taxes—or else!

Jefferson saw the danger and injustice of taxation. He boasted of the fact that his administration managed without taxation other than tariffs:

The receipts of external duties for [1802] have exceeded those of any former year . . . this has enabled us to answer all the regular exigencies of government, to pay from the Treasury in one year upward of eight millions of dollars, principal and interest, of the public debt . . . and to have now in the Treasury four millions and a half dollars. . . . When merely by avoiding false objects of expense we are able, *without a direct tax, without internal taxes, and without borrowing*, to make large and effectual payments toward the discharge of our public debt . . . it is an encouragement of the highest order to proceed as we have begun, in substituting economy for taxation. (Italics ours.)

Until the outbreak of the Civil War few American citizens were expected to pay any part of the earnings of their labor or capital to the government. The only exception was the four years between 1814 and 1818, the period following the War of 1812, when the government had to raise money to pay its war debts. As recently as 1894, a little more than fifty short years ago, the idea of taxing a man's income in peacetime was unthinkable. But that year Congress sneaked through a law giving the government the right to tax all incomes over four thousand dollars (a fabulous income to most people in those days) at the rate of two percent. One year later, under a barrage of public anger, the law was declared unconstitutional. It wasn't until 1913 that the politicians were able to sneak through the Sixteenth Amendment, which gave government the right thereafter to attach part of the citizen's earnings. And fourteen years later, more than half of all the government's income consisted of wages taken by

force and by threat from the pockets of its "free" citizens. And today the greater part of the citizen's production, in one way or another, is being taxed away from him. Except for a little cheating and lying while filling out his tax forms, the American citizen obediently submits to Gustave Armint's shiny badge of authority. But it did take our Toms, Dicks, and Harrys a long time to get used to the tax collector's bridle—to submit to the idea of paying tribute to bureaucratic politicians without a fight. Today the government employs armies of tax experts, who are



supposed to be looking for a tax that will not eventually fall upon the consumer. The government tax experts are searching so arduously because, even with only a slight knowledge of very simple arithmetic, it is plain that the more the consumer has to pay out in taxes, the less will be left of his dollar with which to buy food, clothing, and shelter; and as less of such things can be paid for, less of them will be produced; and as less of such wealth is produced, less in wages and capital will be earned and, consequently, there'll be less income for the government to tax. So, the trick is to "discover" a tax that won't wind up on the consumer's already overloaded back. So far, in spite of the efforts

of these experts, the government has failed to come up with such a tax. Evidently they haven't gotten around to reading encyclopedias printed during the past thirty-five years. For, under the heading "Taxation," they are sure to find something like the following, which is quoted from the *New International Encyclopedia*, published way back in 1920:

... a tax upon the output of a factory would naturally result in an equal rise in price. The manufacturer might pay the tax, but its ultimate incidence is upon the consumer. A tax on houses might temporarily be borne by the owner but in the nature of the case, it would ultimately result in higher rents, since it would put a check upon building. *A tax on land values, on the other hand, could not be shifted, since it would not affect the amount of land available for use, and hence could not raise rents.* (Italics ours.)

Why then, the reader might ask, if "a tax on land values . . . could not be shifted" (onto the consumers' back), why doesn't our government tax land values? The fact is, no government in the world today would dare tax anything as sacred as land values—as we shall see.

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## 89

### THE STUPIDITY OF TAXATION

*Every cause produces more than one effect.*—Herbert Spencer

EVERY TAX, no matter on whom it is levied, must end up by biting another chunk out of the consumer's income—must leave less spending money for the housewife or wage earner. Just so long as subtracting twenty-five from a hundred can leave only seventy-five, subtracting any amount of taxes from the income of the consumer must leave that much less in his pay envelope—must reduce his wages and



the earnings of his capital by at least the same amount. And yet, while most of us would squawk woefully if we should have our wages or the return on our capital reduced, we pay taxes without a murmur. In fact, many of us are proud to pay taxes, for we sincerely believe that by doing so we're being patriotic. However, most of us aren't even aware of *all* the hidden taxes we're paying.

True, if we work for wages, we know we are paying income taxes, because the government grabs its loot out of our pay envelope even before we can get our hands on the money we've earned. We're even denied the right to fondle our earnings a minute or two before surrendering it to Gustave Armint, the tax collector. And since we really never get our hands on our money, we really don't get a chance to miss it. In fact, when the government, after collecting more than it has a legal right to take, refunds a few dollars to us at the end of the year, we're delighted. We actually consider the refund to be a gift from our kindly old Uncle Sam. It rarely occurs to us that he's only returning what is ours, and that the money he returns is only a small part of the total tax to which he had no ethical right in the first place. Be that as it may, income taxes aren't the ones that take the biggest bite out of our earnings.

By far the greatest drain on our wages is the taxes which are aimed at the farmer, manufacturer, businessman, and other producers of goods. For they don't actually pay the taxes the government pretends to take from them. Instead, they simply add whatever taxes they're asked to pay to the price of the goods they sell. Since all goods must eventually be paid for by the consumer, any taxes on those goods must also be paid by the consumer. In other words, no matter who or what is taxed, it is the consumer who finally pays for it and is left with less of his income with which to buy goods from those who produce them.

But that isn't the worst of it! Not only do the farmers, manufacturers, and merchants pass the taxes on to the consumer for actual payment, but they also take a profit on the taxes! To see this more clearly, we need only imagine that there is no

tax on washing machines, and that it costs the manufacturer \$100 to produce one. If his customary mark-up is one-third of cost, he will sell the machine to his wholesalers at \$133. And if the wholesaler and the retailer work on the same mark-up, the washing machine, when it finally reaches the consumer, will retail around \$237.

Now let's see what happens when the manufacturer is taxed an amount equal to five percent. To produce the machine now costs him \$105. And, as before, he takes his usual one-third mark-up; and so do the wholesaler and the retailer when the machine reaches them.

If we compare the prices the consumer must pay for the same machine *with and without taxes*, we find that by the time the five-percent tax reaches the consumer, it has grown to a whopping twelve percent. It has more than doubled! To put it another way, Mr. and Mrs. Consumer have to pay \$11.86 extra, of which the government collects only five. Moreover, the butcher, grocer, clothing, and other local retailers from whom Mr. and Mrs. Consumer usually buy will now do \$11.86 less in business simply because the Consumers have \$11.86 less of their income to spend. It is exactly the same as if Mr. Consumer had had his wages reduced by \$11.86. And if we remember that almost every single thing that Mr. and Mrs. Consumer buy has been taxed *not once but many times* before it reaches them, we can appreciate how stupid and unjust taxes on production really are. How

much more intelligent it would be to abolish taxation entirely, and to depend upon the collection of land values as the source of funds needed to support our government in the wasteful and corrupt manner to which it has grown accustomed.

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## 90

### THE INJUSTICE OF TAXATION

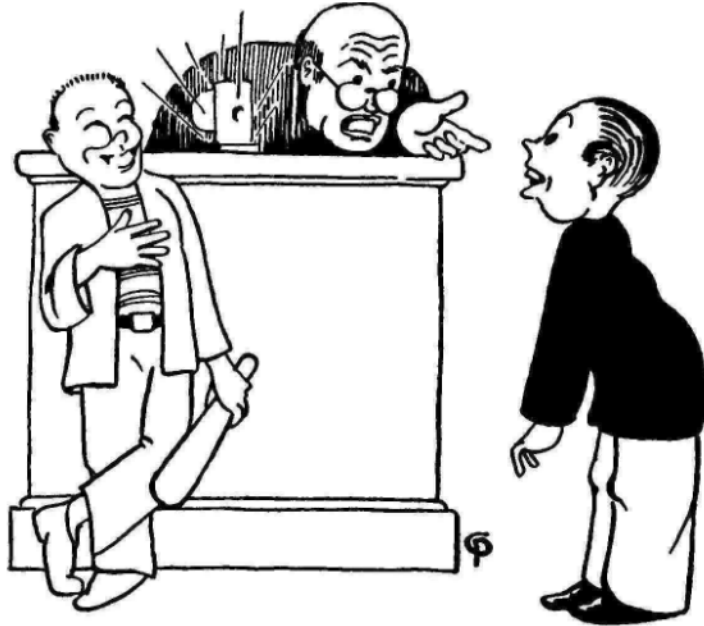
*National injustice is the surest road  
to national downfall.*

—William Gladstone

ONE ESPECIALLY CRUEL injustice which the collection of land values, or land rents, as they are called, will correct is our present custom of punishing those who improve land while rewarding those who hold land idle or almost so. If a man should destroy another man's property, we simply arrest him and haul him before a judge, who then fines him. And that is the end of the matter. So long as he doesn't destroy any more property the culprit won't be bothered any further by the law. But let that same man dare to improve a piece of land—let him dare build a fine house on it or clear the poison ivy, weeds, and brush from it, or plant a much-wanted crop on it, and he'll be immediately visited by Gustave Armint, the tax collector, who will not fine him only once, but will do so at least once every year so long as the improvement stands. And, what is even more fantastic, the more he improves the land, the more he will be forced to pay in taxes—the more severely he will be punished.

But even that isn't the worst of it. The owner of the land right next door may allow his land to remain an empty lot covered over with weeds, poison ivy, and sumac. He may even allow it to become littered with tin cans, maggot-covered dead cats, and miscellaneous bits of garbage, and yet be required to pay little

or no tax at all. As a matter of fact, his property, neglected as it is, grows more valuable just as fast as his more industrious neighbor improves his land. And to reward the idle one further for his sluggishness, the taxpayers are compelled to pay to have roads, sewers, and other public improvements built around the idle land of the monopolist and speculator and thus make it even more valuable. In effect, the land speculator is rewarded with greater wealth for keeping his much-needed land out of use.



But suppose the idle one was compelled to pay to the community the full land value of the neglected site he owns. Suppose he had to pay just as much in land rent to the community as his neighbor who improved his land. We may be sure that rather than pay out all that money without collecting an equal amount in rents, he'd either walk away from his land and thus leave it free to be used by someone willing to produce something on it; or he would himself improve it so that he might get as much out of his land as he pays over to the community. Either way, the land would be more productive, which of course would mean more jobs, more wealth produced, more wages and more interest earned. But most important, the man who improves land will no longer be treated like a criminal—will no longer be penal-

ized for doing something worth while and useful. For if land rents are collected it will no longer be necessary to tax improvements or, for that matter, anything else. Equally important, so far as justice is concerned, the land monopolist will no longer be rewarded for acting the dog-in-the-manger. Instead, he'll become a useful citizen—not because the law will compel him to be one; and not because state police, in the Soviet manner, will liquidate him if he refuses; but because he will be unable to satisfy his desires as an owner of land so long as the community collects the rents his land (not he) produces. He'll either have to become a producer of goods or services or leave his desires for wealth unsatisfied. And to make the latter choice, as we know, is impossible for the normal human being.

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## 91

### RENT—IS IT GOOD OR EVIL?

*. . . every improvement in the circumstances of the society tends either directly or indirectly to raise the real rent of land, to increase the real rent of the landlord, his power of purchasing the labour, or the produce of the labour of other people.*

*The extension of improvement and cultivation tends to raise it directly. The landlord's share of the produce necessarily increases*

*•with the increase of the product.*

*—Adam Smith, *The Wealth of Nations**

ANYTHING that increases land value—rent—must lower wages and interest. For wages plus in-

terest is all that can possibly be left of any wealth produced, after rent is taken out. Just as surely as four minus two equals two, earnings minus rent equals wages plus interest. The greater the proportion taken as rent, the smaller the share left for the wage-and-interest earner.

It should seem, then, if high rent means low wages and interest, that anything that might cause rent to go higher is an evil thing. But that isn't true. In fact some of the best things in life, things of which society may be proudest, cause rent to increase. It must follow logically, then, that either rent is not in itself an evil thing; or that many of the things we have always believed to be good are in reality evil. For evil things cannot grow out of that which is good.

For example, the birth of babies cannot be thought of as being evil, and yet we know that births increase the population, which in turn must increase land rent. Parks, playgrounds, public swimming pools, all things that are built to keep children from developing into young criminals are certainly not evil; and yet whenever the city fathers build such things, land values all around the park or playground zoom, and everyone living or doing business in the area must pay higher rents—must give up an even greater portion of their earnings to the landowner. The same result follows the digging of a subway, the franchising of a bus line, the erection of public-housing units, or the building of a school—good things, all. Instances of rent shooting skyward as a result of making public improvements are being constantly reported in our newspapers, although few of us attach very much importance to them.

The new United Nations site in New York is a typical case in point. It will be remembered that an unusually filthy slum area along New York's East River was bought for the United Nations for eight million dollars by Mr. Rockefeller., who then gave the area to New York City as a gift. As soon as the news of this deal hit the papers, land values for several blocks in all directions skyrocketed—because greater numbers of prosperous spenders were

sure to be attracted from all over the world as soon as the United Nations buildings were completed. Millions of tourists, visitors, and United Nations employees would be sure to be milling around the neighborhood where, a short year before, only a few drunks, derelicts, and alley cats promenaded. By a strange coincidence, the real-estate operators who sold the rat-infested site to Rockefeller just happened to have bought up most of the land around the proposed United Nations site a few months before. With the sharp rise in rents in the neighborhood, those land speculators did rather well; but the merchants and office renters in the neighborhood were compelled to pay outrageously high rents if they wished to continue to do business in the neighborhood. And just as fast as the United Nations buildings reached completion, rents in the vicinity steadily increased, always leaving still less in wages and interest for those who invested their labor and capital in that neighborhood. Thus we see how an unselfish gift of eight million dollars, spent for the creation of a worth-while group of buildings for the well-intentioned United Nations project, caused rent to rise and wages and interest in that area to fall.

A bit farther down the river, a huge housing development was built by a large insurance company to provide much-needed shelter for desperate New Yorkers. It certainly can't be thought wicked to provide housing for homeless humans. And yet rents all around the project, once building began, climbed so high, storekeepers who had been in the neighborhood for years found it impossible to remain in business; and private builders just couldn't afford to erect moderate-price housing in that area. Land values shot so high, the builder had to pay more to erect houses than he could expect to get out of them in rent.

It isn't only in New York that public improvements tend to increase rents in adjacent unimproved blocks of land. It happens everywhere on earth. A useless plot of land in the middle of a desert will double in value the very moment it is learned that a highway is to pass along one side of the plot. As soon as the

city fathers agree to franchise a bus company, all city blocks along the bus route—although entirely undeveloped—will certainly increase in value.

In the spring of 1949 the Atomic Energy Commission announced that it would use 400,000 acres of wasteland in a town few Americans had ever heard of: Arco, Idaho. The population of the town had been a neat 780, just about equal to the number of people that can be seated comfortably in a small New York movie theater. The land itself is one huge lava sink, practically useless for agriculture or anything else. There's no wild life whatsoever in the vicinity of Arco. And yet, in the small business area of the city, building lots that formerly went begging for \$300 to \$600 jumped to \$500 and \$1,000 the very day that a government bureau—the AEC—announced it intended to build in Arco *and to bring in 6,000 additional people*—consumers—to work there. The price of residential lots jumped from \$100 to \$250. One building, it was reported, that had been offered for \$10,000 the day before the announcement, was priced at \$17,500 on the following day. Here again we see how worth-while improvements *naturally* increase land value.

And now we come to the truly ironic part of our story. The people who must pay the increased rents are the same people who, as taxpayers, are compelled to pay for the very improvements that jacked up the rent in the first place. It's almost like forcing a man to pay for the axe with which his head is to be chopped off. What is still more ironic, those who collect all the increased rents that result from the improvements pay almost none of it back in taxes.

And so we see that land rent, in itself, isn't evil. The evil lies in the stupidity of laws that permit a few special-privilege boys to pocket rents that the community produced. If, on the other hand, land rents were collected by the communities that create them, and were then used to pay the communities' expenses, rent would be considered to be a good, and the higher it went the better off we'd be. For each increase in rent would mean an increase in income for the community with which it might



build more and better schools, pay higher salaries to teachers, provide better parks, safer highways, or any other social improvement the community might desire. Yes, channeled properly, rent can be wonderful!

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### TAXES AND RENT REDUCE CONSUMERS' BUYING POWER

*Gives me some kind of content to remember how painful it is sometimes to keep money, as "well as to get it.—Samuel Pepys*

As WE LEARNED from John Dough, the baker, all wealth is interchangeable. That is, when John produced loaves of bread he at the same time produced skis and every other unit of wealth for which his bread might, as he pleased, be exchanged. It should follow, then, that if he produces \$50 worth of bread he should be able to exchange it for \$50 worth of clothes or other goods.

But he can't. For out of the \$50 worth of wealth he produces he must give up a certain part to the man who owns the land upon which he built his bakery. That would amount to at least a quarter of his production, or \$12.50. In addition, he'd have to give up another quarter in taxes to the government: income tax, social-security tax, corporation tax, excess-profits tax, and many others too numerous to list here. After paying out some of his bread in rent and taxes, he is left with less than \$25 worth to exchange for the food, clothing, and shelter he and his family need.\*

The obvious result is that John Dough, who has added \$50

\* We have not included considerable deductions made by hidden taxes.

worth of wealth to the stockpile, can draw only about \$25 worth from it. That leaves \$25 worth of goods on the stockpile that is not "in demand"—goods that John can't pay for but nevertheless desires. For we must remember that there is no limit to the amount of wealth normal man desires. Since the supply of goods on the stockpile of wealth is greater than the amount the John Doughs, as consumers, can afford to buy, either the price of goods must fall or production of more goods must stop—more labor and capital must find itself unemployed.

But when the price of goods falls, that is, when the cost of labor (wages) and the return for capital (interest) goes down, John Dough's earnings must fall, too. When the price of bread falls, he must work longer hours and use more capital in order to produce more bread if he wants to earn the same \$50 worth of foorcloshes. Obviously, if John Dough must work longer hours for the same wages, and invest more capital to get the same return, he is working for less per hour and is receiving a lower rate of interest.

Thus we see that John's wages and interest can't help but fall as his rent or taxes are increased. Rents and taxes, always at their highest peak during prosperous times, steadily cut into John's buying power, which must end up in more goods on the market than he can buy; and consequently, still fewer goods are produced and still more men and more capital made idle. In other words, the "seven lean years" again return to drive humanity to self-enslavement or madness.

It is true that John Dough can add the taxes he pays to the selling price of his bread and thus pass that burden on to his customers.\* But that can't help him very much. For he will have to pay more for everything he buys, since all of the manufacturers who supply him will pass on to John the taxes they pay; John is, like all producers, a consumer as well. And we mustn't forget that while John can add some of the taxes he pays to the price of the

bread he sells, he can't add his rent to the selling price. For rent is something that can't be passed on—something that laborers and businessmen alike must pay out of their own pockets.

If there were, as the socialists and communists teach us, two classes of humans, there'd be no need for anyone but the "laboring class" to worry about taxes and rent. But the truth is that taxes and monopoly rent fall on *all* consumers. By bleeding away the purchasing power of the self-employed "middle class" and the average businessman, every new tax and rent increase tends to reduce them to the ranks of the hired "laboring class" and eventually to cause them to disappear altogether. And that is disastrous. For, as Aristotle remarked, ". . . when there is no middle class, and the poor greatly exceed in number, troubles arise, and the state soon comes to an end."

To a great extent, the day Aristotle warned against has already arrived in most parts of the world. In the United States it is approaching fast—as anyone comparing our country's past history with the present can see.

\* Only the hired laborer is unable to pass the sales taxes and income taxes along 'for someone else to pay. For he has no product having a selling price to which he can add the taxes.