

CHAPTER XII.

OF ECONOMIC EVOLUTION.

Oh, sometimes gleams upon our sight
Through present wrong, the eternal Right;
And step by step, since time began,
We see the steady gain of man.

John G. Whittier.

Bisocialism presents to the world a definite and comprehensive working plan. In order to bring about the condition of equality of opportunity which it advocates and seeks to establish, bisocialism proposes that certain definite steps be taken in the transition from the old order to the new. It realizes that all these steps can not be taken at one time nor, probably, can they be taken in their logical and most effective order. In overcoming obstacles in the economic world men are prone, as in the physical world, to advance along the lines of least resistance. Local situations and conditions greatly affect men's minds and tend to bring into prominence here one and there another of the phases of economic reform. For these reasons it is wellnigh certain that the socialization of public utilities will precede the more important and fundamental reform embraced in the socialization of all ground values.

The steps to be taken in carrying out the plan of bisocialism are few in number and simple in detail. They are not entire departures from conditions existing under

the established order, but are steps which can be taken in the course of economic evolution. For instance, we already derive part of the public revenue from the taxation of ground values; all that is necessary to bring about the fundamental economic reform is to increase the socialization of ground values by means of taxation until all ground values are taken and these become the sole source of public revenue. We now have a standard of value which recognizes one of the three economic disutilities—the disutility of matter. This standard may be extended until it recognizes also the disutilities of time and space. We already have greenbacks as currency. These are *de facto* credit-forms as long as they are receivable at par in payment of taxes, although they are issued as debit-forms. We could exchange these dollars for dailors, and thus have credit-forms in name as well as in fact. We now have public ownership, operation and control of some public utilities, notably water works in cities. We can extend this principle to all public utilities. We now have excellent examples of flat rate charges for public utility products and services in water rates, street car fares, and rates of postage. An extension of this principle is all that is necessary to work a partial evolution in respect to such charges.

Finally, we have an excellent example of free transportation and the reflection of its benefits in increased rents in the case of passenger elevators in modern office buildings. What is a system of elevators in a twenty-story office building but a miniature railway system stood on end? Tenants, their customers and clients are carried

to any floor free of charge; but the expense of this service is counted in and becomes a part of the rent for every part of the building. To have a collector of fares in each elevator would be intolerable; but the landlord gets his income from the elevators none the less. So it might be if all public utilities were furnished by the government free of charge. All the benefits of the service would be reflected in ground values and could be easily and inexpensively collected as a part of the public revenue. Patents and copyrights can be abolished by the mere repeal of a few statutes. If these steps were taken one after another, or contemporaneously, as the case might be, a complete system of bisocialism would be evolved from the established order. We would then have:

1. Ground values for the sole source of revenue.
2. The current daily return to common labor-power upon the margin—the dailor—for the standard of all values.
3. Government credit-forms for currency.
4. The public ownership, operation and control of all public utilities.
5. The extension of the flat rate principle to all public utility charges: and, ultimately,
6. Free transportation and the free use of all public utilities.
7. The abolition of all forms of differential privilege.

These are the steps in the evolution of bisocialism, which includes not only the socialization of all ground values and all public utilities, but the establishment of equality of opportunity in all things. The plan is simple,

is it not? Desirable, is it not? Feasible, is it not? Let us see what, if anything, stands in the way.

There is nothing in the laws of the physical world which says nay to any of these propositions. They are all in harmony with the laws of the economic world. Morality can not set its seal of disapproval upon a working plan which will bring equality of opportunity to all men. Nothing in the world hinders the adoption of this beneficent plan except the institutions, laws and customs of the established order. These constitute not a physical, not an economic, not an ethical, but merely a social disutility; a disutility made by man, the concentrated result of the mistakes of centuries.

We are prone to believe, and to act upon the assumption, that all the institutions, laws and customs of the established order have their basis in nature and represent the highest and best thought of the ages upon economic subjects. The truth is just the opposite. All peoples have had higher and better conceptions concerning the institution of property, and particularly of land tenures, than those which dominate the world to-day. In Economics, as well as in matters political, intellectual and spiritual, there was a retrograde movement which culminated in the fall of the Roman Empire. In other directions the lost ground has been regained and great advances have been made in many fields of thought. Economically, however, the *Renaissance* has just begun. Economically, we are just emerging from the Dark Ages.

Considering its time in the world's history and the traits and environments of the people for which it was intended,

the Jewish code as formulated by Moses furnished the best economic working plan which has ever been realized in actual practice. It came the nearest to giving to all men of a given tribe or nation equality of opportunity and a fair return for effort expended of any code which has dealt with the institution of property. It looked upon the land as the heritage of the Jews as a people, and, to prevent its falling into the hands of a few, this code provided that every fifty years each man should come again into his possessions. "The land shall not be sold forever" * is the teaching of the Mosaic code. "The heaven is the Lord's; but the earth hath He given to the children of men," sang the Psalmist.† "Woe unto them that join house to house, that lay field to field, till there be no place," ‡ warned the prophet when the laws of Moses were forgotten and the land owners exploited the labors of the poor. And in portraying the blessed state of the new Jerusalem which was at all times the ideal of his race, the same prophet said in his final exhortation: "They shall build houses, and inhabit them; and they shall plant vineyards, and eat the fruit of them. They shall not build and another inhabit; they shall not plant and another eat." § And he among the Jews of olden time who was said to be wisest of all put into the mouth of the preacher these words: "It is good and comely for a man to eat and to drink and enjoy the good of all his labor * * *

* Leviticus, xxv: 23.

† Psalms, cxv: 16.

‡ Isaiah, v: 5.

§ Isaiah lxxv: 21, 22.

all the days of his life, which God giveth him; for it is his portion." *

The people of the United States are largely of Anglo-Saxon, Teutonic, Celtic, and Scandinavian descent. Yet we maintain a system of land tenure which was foreign to the conceptions of all these peoples until it was forced upon them in the days of feudalism. Joseph Fisher, a Fellow of the Royal Historical Society of London, England, in an essay read before that body in 1875, pointed out the fact that among all these peoples the earth was recognized as a common heritage and was originally treated by them accordingly. The same conception which the Jews expressed in the Mosaic account of the creation of man out of the dust of the earth the Celts expressed in a beautiful figure which recognizes the earth as "perpetual man." Mr. Fisher shows from an extensive historical review that our present system of land tenure is not based upon the conception that the earth is our common mother, but upon the harsh dictum of the Roman, rendered savage by the lust of conquest: "To the victor belongs the spoils." † William the Conqueror, following the Roman custom, parceled out the land of England among his chieftains to be held by them as tenants of the crown. Under the early feudal tenure the lands were charged with wellnigh the entire maintenance of the State which was then chiefly a military organization. Under this tenure each land owner was obliged to attend the king with a certain quota of men and a certain amount of military

* Ecclesiastes v: 18.

† History of Landholding in England.

supplies whenever called upon in time of war or local insurrection.

In time some of these military vassals became so powerful as to menace the throne; the land owners were all-powerful in parliament; and at the same time the commercial interests of the nation had greatly increased. Consequently, it so happened that when the king desired to reduce the military prestige of his landed lieutenants, they desired to relieve themselves of a great part of the cost of maintaining the crown. The result was that both king and under-lord worked together to reduce, and finally to abolish the military charges upon the land, and to substitute instead a money charge against all forms of property and of business enterprise for the maintenance of the State. By means of this change and the adoption of the system of indirect taxation the greater part of the cost of government has been shifted from privilege (primitively and still chiefly represented by landholding) to production; from ground rents to interest and wages.

The system of land tenure which we have taken by adoption from the Roman Empire caused the downfall of that empire itself. In all conquered countries the lands were parceled out to military chieftains and to favorites of the emperor. In the original domain of the Romans themselves the land was wrested from the people and concentrated in the hands of the beneficiaries of foreign conquest. The people as a whole then had little or no interest either in their government or in their native land. The world knows the result. When the barbarians came down from the North and invaded the em-

pire they found a people composed upon the one hand of the enervated beneficiaries of privilege, and upon the other of a mass of listless and artless slaves. All fell an easy prey to the brute force of the invading hosts. In the language of Pliny: "Great estates ruined Italy."

Bisocialism does not appeal to lawlessness. It proposes to carry out its working plan in conformity with the doctrine that order is the first law of earth as well as of heaven. But this does not imply that the *established order* is sacred. Bisocialism teaches that the established order from an economic point of view is neither sacred nor tenable; indeed, that it is no longer tolerable. But all the changes which it proposes are to be made in an orderly manner. They can all be made under the present forms of law. Not a new principle of administration need be adopted; not a new function of the State need be added. Bisocialism is radical, but not revolutionary. It advocates nothing but simple economic evolution. It does not propose to abolish the State or to violate the law; but it does propose to better the State and to change the law without hesitation wherever it does not conform to the economic needs of the people. It believes with Emerson that

"In dealing with the State, we ought to remember that its institutions are not aboriginal, though they existed before we were born; that they are not superior to the citizen; that every one of them was once the act of a single man; every law and usage was a man's expedient to meet a particular case; that they are all imitable, all alterable; we may make as good; we may make better."*

* *Politics*: Essays, second series.

It is claimed by the advocates of omnisocialism that it, also, is an evolutionary doctrine; in fact, that it is the logical evolutionary outcome of the present tendencies in the established order. Consequently, omnisocialism does not view the concentration of industrial and commercial enterprises in the hands of what are commonly called "trusts" with disapproval, but with approval. Its plan is based upon the contention that this process of monopolistic concentration will go on and on until all such enterprises are absorbed by one giant monopoly; and that then the people in their collective capacity will absorb this trust monopoly and thereafter conduct its affairs for the good of all the people. The government will supersede all other monopolies; but it is claimed that in the benefits of its monopolistic features all will share.

In other words, omnisocialism proposes to encourage the evolution of the worst feature of the established order and, finally, to base itself upon this feature when the latter becomes so bad as to be unbearable. Bisocialism, on the other hand, proposes at once to abolish the evils of the established order, and out of its remaining features to evolve a system which has nothing but that which is economically right for its basis as well as for its purpose and its final goal.

The standard economists also claim the benefits of the doctrine of evolution in defense of the established order. But as Political Economy under their elucidation has been called the "dismal science," so the view of evolution which they adopt is of that dismal and despairing variety which is strongly tinctured with Malthusianism.

According to Malthus the human race tends to increase at a geometrical ratio, while the means of subsistence can be made to increase only at an arithmetical ratio. Between these two ratios there is the same difference as between the results of a multiplication, which doubles a number and then repeatedly doubles the product, and an addition, which simply adds the same number time after time. For instance, the number 1, if used in geometrical progression, gives as a result the series 1, 2, 4, 8, 16, 32, 64, 128, 256, etc.; while the same number, if used in arithmetical progression, gives as a result the series 1, 2, 3, 4, 5, 6, 7, 8, 9, etc. Assuming that in a new country population tends to double itself every twenty-five years, Malthus argued that at the end of two centuries the ratio of population to subsistence would be as 256 to 9, and in three centuries as 4,096 to 13. Consequently, according to this doctrine, the evils of the economic world are now and ever have been caused by overpopulation. The only possible remedy, in this view, is one which will check the growth of population, especially among the poor, where propagation has always been greatest. Malthus, who was a clergyman, taught that Providence has provided certain natural checks upon population, such as a result from the loss of life through famines, pestilences, and wars. And that aside from these there remains only the prudential check by virtue of which men and women, especially among the poor, may voluntarily and persistently refrain from propagating their kind.*

* For a masterly and complete refutation of Malthusianism in its economic aspect, see Henry George's *Progress and Poverty*, Book II.

Since the days of Malthus, who published his work on population in 1798, the decimation of population by famines, pestilences, and wars has largely ceased, and the remedy by means of the prudential check does not appear to have been extensively adopted, at least by the poor. Current writers, therefore, have merged the doctrine of Malthus into that phase of the doctrine of evolution which puts great stress upon the theory of the survival of the fittest. It is now maintained that the reduction of great classes of people to that state of poverty which disqualifies and exterminates its victims is but the working out of a natural law by means of which the weak are crowded to the wall in order that only the fittest may survive and perpetuate the race.

This modern doctrine, like its predecessor, does not exactly serve its purpose when applied to economic phenomena. In too many cases this alleged providential working out of natural laws does not destroy the unfit, but simply disqualifies them from self-maintenance and throws them into poorhouses, jails, and asylums, there to become a burden upon those who have shown themselves to be fit to survive. This has led to a discussion among the present day defenders of the established order, looking toward the reduction of the number of those whom society may adjudge to be unfit, by means of such restraints, not only upon marriages, but upon their personal liberties as will prevent their bringing fellow-beings into a world already apparently overcrowded.

But even this presumptuous, arbitrary, and tyrannical action by the State is not deemed sufficient by the more

pronounced advocates of the elimination from society of those who are deemed to be unfit to survive and to perpetuate the race. The president of one of the leading universities of the United States has given his approval to the plan of exterminating those who are deemed most unfit by refusing to them even the hand of charity, and thus allowing them to die. He says:

“One thing is certain, in the words of Dr. Amos G. Warner, that the ‘function of charity is to restore to usefulness those who are temporarily unfit, and to allow those unfit from heredity to become extinct with as little pain as possible.’ Sooner or later the last duty will not be less important than the first.”*

In this statement there is a suggestion not only that the State should allow these unfortunates to die for want of charitable assistance, but that it should affirmatively assist in their removal in some manner “as painless as possible.” To this extremity will the special pleaders of privilege yet be driven in order to avoid recognition of the fact that a majority of these delinquents are simply victims of institutional wrongs which depress the margin and, consequently, oppress the poor. It is not that these people are so weak from heredity or any other cause that they can not cope successfully with their natural environment. It is because their normal environment has been destroyed, and because from birth they are surrounded by conditions which no man, in normal conditions, needs

* “Sources of Political Degradation”: David Starr Jordan, LL. D., President of Leland Stanford University, in *North-western Christian Advocate*, June 24, 1894.

to meet, that they are reduced to such dire extremities. The remedy is not to kill them in cold blood, nor to let them die as painlessly as may be, nor yet to leave them to the hand of charity. It is to raise them to their normal level and then gradually to raise that level until no human being will dare to determine, much less to declare, that any man created in the image of his Maker is unfit to survive.

It may seem to some, and especially to those who have been most thoroughly indoctrinated with the idea that for present economic evils there is no remedy, that even the full program of bisocialism with its consequent raising of the economic margin can not render unnecessary the terrible struggle for mere subsistence—a living wage—in which the masses of the people are now involved. Let such persons consider this proposition: Suppose that in a given community there are available nine jobs, on the average, for every ten men, with no chance of self-employment. In this condition one man must always be idle, and a continuous struggle among these laborers for employment necessarily follows. They at once bid down to a mere living wage, and even then the struggle will not cease. The one unemployed man continues to be a disturbing factor, and the whole ten men live constantly in want or the fear of want. They are slaves working and living in the guise of free men.

Suppose now that by the introduction of bisocialism conditions in that community are changed only to the extent of making ten available jobs for every nine men and of furnishing ample self-employment upon a normal

margin. The laborers of that community at once pass from economic slavery to economic freedom. Wages rise from mere subsistence to what can be made by self-employment upon the margin. Instead of one man constantly seeking a job to the abasement of himself and the terror of his fellows, a job is always seeking an extra man. The man at the margin, not the employer, becomes master of the wage situation. If the tenth job finds a man, it must take him from the margin; it must induce him to give up profitable self-employment. The employer, however, can not be exploited by his laborers. He must so conduct his business that he can afford to pay the normal marginal wage, but that is all; and of this he would have no reason to complain. The prosperity of the wage earners would furnish a brisk market for his products and he, as well as they, would be relieved of the terrible strain and uncertainty which attends production in the established order. The average employer would be infinitely better off under bisocialism than under the present system.

Again, it may seem to some inequitable to take from the owner of a farm approximately one-half of the value of its produce in taxation, and take nothing from the income of a man who has a like sum invested in, for instance, the banking business. But it must be remembered that, once established, bisocialism would regulate values in such manner as to equalize all incomes resulting from equal investments and equal expenditures of the same grade of labor-power. Suppose that, under bisocialism, two men of equal ability, energy, and thrift, and with equal capital, should engage, the one in farming, and the

other in banking. The farmer invests \$20,000 in land-forms. He knows in advance that the State will take each year the present worth of the rental value of his farm in taxes, and he pays a price based upon such a system of taxation. If the current rate of interest is 5 per cent per annum, he buys at a price which will net him 5 per cent after the payment of the tax. Other things being equal, he could purchase about twenty times as much land with \$20,000 as at present. In these circumstances the taking of the tax would not harm him a particle.

On the other hand, the banker invests \$20,000 in his business. He pays no tax at all upon this investment, but his income from it will not exceed 5 per cent in ordinary circumstances. If it did, other men would withdraw money from other forms of investment and go into the banking business. It is a mistake to assume that under bisocialism there will be any discrimination in favor of investments in bank stocks, bonds, etc., simply because these, in common with all other things except land-forms, will be exempt from taxation.

Still other persons may object to bisocialism because it does not condemn the taking of interest, and eliminate this feature from our economic life. But physical science might as well condemn the tides of the sea and undertake to eliminate them from the phenomena of nature. Economic interest arises out of the fact that labor-forms may be so circumstanced as to overcome or mitigate the disutility of time, and as long as time lasts economic interest will accrue. And as long as economic interest accrues it

must be distributed in the processes of the market, and commercial interest will be received and paid.

Nor is there the slightest reason for looking upon the payment of interest, in normal conditions, as an economic evil. On the contrary, it fulfills a beneficent function. In the natural order, a generation of young men come into the industrial field as a generation of older men seek to leave it. The latter may have accumulated labor-forms, or their economic equivalent in money, for much of which they have no present need. The younger men are so circumstanced that they can use these accumulations to advantage in overcoming the disutilities of time. By the payment of interest these two classes are brought together and, in normal conditions, both are benefited. Taking the community as a whole, there is a prevention of great economic waste, inasmuch as labor-forms, unused, rapidly deteriorate, and money-forms stored away deprive the people of their requisite medium of exchange.

Under bisocialism the rate of interest will probably be greatly reduced because of the removal of artificial disutilities which now compel many men to borrow. In normal conditions all borrowing will be purely voluntary, and the desires of the marginal borrower will control the rate of interest. But under bisocialism, also, a given income will give greater satisfaction of desire because of the lowering of prices which will follow the abolition of all artificial disutilities. The current rate of interest may be reduced one-half, but if the cost of living is also reduced one-half, the lender will be relatively as well off as before.

Under bisocialism there will not arise and persist a

class of lenders not (at some time) laboring. Nor will there arise and persist a class of borrowers habitually exploited because of their necessities. The evils of the present system of usury will disappear, but interest as an economic phenomenon will persist. The number of voluntary interest-payers will probably increase. If so, this will indicate an increase of economic opportunity and prosperity in the community so affected.

The evolutionary program of bisocialism does not purport to be able to eliminate from human life all the struggle for subsistence. It recognizes that this struggle has its beneficent side, and that without it and the necessity for it, all progress would end. But it distinguishes between that struggle which is necessitated by nature for overcoming the disutilities of matter, time and space, and that fiercer struggle which is necessary only because of those institutions, laws and customs which conflict with the laws of nature and create false economic and social disutilities.

Two men may go out together and unite their energies in overcoming some natural disutility for the satisfaction of their common desires; or they may expend an equal amount of energy in contending between themselves for the possession of some superior natural opportunity for satisfying their desires. The former struggle is economic; it uplifts, it ennobles. The second is barbaric; it degrades, it disqualifies. The former is the struggle justified and contemplated by bisocialism; the latter is the struggle exemplified and encouraged by the established order. The one involves an evolution by which man overcomes the

disutilities of the natural world by means which are in harmony with his own highest physical, intellectual, social and moral development; the other involves an evolution that exempts the successful from further physical struggle, while increasing the physical tasks of the unsuccessful; which gives to society as a whole a one-sided intellectual development, and which puts the institution of property and the entire field of industry and exchange upon a low moral plane. When the evolutionary working plan of bisocialism is adopted, the struggle of man with man for mere opportunity will cease, those disutilities which are purely social will disappear, and all men will work together in overcoming the disutilities of matter, time and space.