BENEATH THE SILVER QUESTION.

BY HENRY GEORGE.

Under the suggestive title of "The New Sectionalism," Professor L. M. Keasbey, in a recent number of The Forum, points to the difference between the West and East on the silver question as indicative of a deep and growing sectional divergence. The West, he tells us, is a unit for the free coinage of silver. The repeal of the Sherman Act was to her only a Bull Run; and Gettysburg and Appomattox are yet to come. For the growing West is determined. The silver problem is with her not a simple business question, but "pre-eminently a moral one," into which has been infused "the courting blood of a crusade movement." "The doctrine of free silver is to-day the sacred dogma of the West, and all her people are orthodox." To her view she is rapidly bringing the South, and "having ceased to care much about the means she employs," will soon be in a position to enforce it with superior political power.

As to the superficial facts, Professor Keasbey is in the main right. But he treats them much as one who should consider what is visible of an iceberg, without regard to the far greater mass beneath the water, on which what is visible rests. In a picturesque dialogue he tells us how the silver miner of the mountains came down to the farmer of the plains and converted him to the doctrine of free silver by showing him how, by a secret demonetization, his Eastern creditor had increased the debt he had to pay.

But this is not the fact, certainly not the whole fact. What made possible the combination between the silver men and the farmers was the greenback movement. The silver miner of the mountains did not convert the farmer of the plains. The farmer jumped willingly into the wagon which the superior wealth of the silver king enabled him to offer, because it was headed in the way he had long been trying to walk; and he had found walking hard.

Greenbackism—so called from the popular name of the direct issue of paper money made by the National Government during the civil war—was, in original and rational form, the recognition of the fact that this money needed no backing of deposited bonds or gold reserves, and was the cheapest and fairest form of money, giving to the greater part of the country what it had never had before, a uniform and convenient medium of exchange, and utilizing for the benefit of the whole people the economies effected by the substitution of paper for the precious metals. It was a protest against the manner in which during exigencies imposed by the war the finances of the government were used for the special benefit of the moneyed class; against the repudiation of its own money by the government in making duties collectable and interest payable only in gold; against the institution of the national banks, a device by which the government was made to pay interest on money it loaned; against the assumption that a great volume of the debt for which no stipulation of payment in gold had been made was redeemable only in gold; and against a forced contraction of the currency which worked hardship to debtors and serious injury to business.

But growing out of what may be termed rational greenbackism, partly by the impulse of the struggle with what the greenbackers called "gold-bugism," and partly by the secretion and development of doctrines latent in misapprehensions of the nature and functions of money to which our common use of the term gives rise, there arose a popular greenback theory which justified the reply of a friend of mine, when asked how he stood on the money question—"I am a greenbacker, but not a fool."

Greenbackism of this sort carried to an extreme all the wildest delusions of paper-money eras. To it the "money question" is not merely an important question, but the important question. To control the money of a country is to control the infallible means by which the few can take to themselves the earnings of the many; to secure the issuance of abundance of cheap money, the only way in which wealth may be made plentiful and its distribution fairly equalized, interest (or, as they call it, "worry") abolished: the dominance of the "money kings" destroyed, and the laboring masses emancipated. Such a doctrine has little
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drained. Then there would have been a
crying demand for capital and the proprie-
tors, knowing something of the country
from which they derived their revenues,
would probably have been willing to lend
back on good interest some part of what
they had taken as rent. Thus would have
occurred on a small scale just what we see
now on a large scale.

But to come to our own times, when
steam and electricity are fairly beginning
their marvelous work; What is the first
investment made in the newer sections by
capitalists of the country? Is it land,
in the purchase of land? The purchase of
land, not the improvement of land. This
involves little or no transfer of capital from
the older sections to the newer sections, but
it does involve the payment of a tribute by
the wealth-producers of the newer section
for permission to produce wealth there.
The settler of the West has never had capital
capital from the East to redeem the unused
lands stretching out before him. He has
always had capital enough for that. What
causes his need for capital is that land
monopoly has compelled him to go so far
that his capital has been exhausted in
getting there, and he finds dog in the
manger, living probably in some older sec-
tion, who holds the legal right to use such
land and will not permit him to use it with-
out heavy blackmail. Or, it is perhaps that
he himself, seeing that the royal road to
wealth is not to work one's self, but to make
others pay you for the privilege of working,
seeks to enlarge his original holding, in
order that he may levy section! or tribute
on the still newer settlers who come after
him.

Thus beginning with the very beginning
of settlement, the newer sections are
drained of the capital that should naturally
belong to and be used in the locality where
it was produced, and when capital is needed
for the larger improvements and the more
costly and elaborate processes of production,
must seek it where alone it is to be found.
That this should be the older and richer
sections is contributed to in another and
what may perhaps be termed a reflex way.
The emigration from old to new, from
East to West, is an emigration of the poor,
who seek better opportunities for their
labor. But there is also, setting with
stronger forces with the improvements in the
speed and luxury of travel, a counter-em-
igration from West to East, from new to old,
of those who have grown rich. Like seeks
like. When a man grows rich above his
neighbors he tires of the society and life of
those neighbors, and seeks the companion-
ship and life of those of equal or superior
means. Now the effect of quiritory owner-
ship of land in a new and growing country,
and under the stimulus of the great modern
inventions, is to take wealth from its earners
and concentrate it in large lumps to be
 gambled for and won by the cunning and
unscrupulous or lucky—or, if you prefer the
term, the long-sighted. It has the same
effect on the local distribution of wealth as
would a great lottery in which men pooled
their earnings to be won in prizes of hun-
dreds of thousands and millions by a few of
their number. And just as in such a case
the winners would seek the capitals, where
they might enjoy all the luxuries such
wealth could give, so is it in this case. All
the country—though in the South by
the influence of old habits the movement is
slower than in the North—when a man gets
a little rich by the rise of land values (he
does not get rich by farming), he moves to
a town; when one gets rich above the
standard of a town, he goes to a city; when
he gets rich above the standard of a city, he
goes to a great city, a San Francisco, or St.
Louis or Chicago; then to New York, and
from New York the tide that floats the rich
sets on, like a Gulf Stream, to Europe. Mr.
Astor is simply the richest of the great
and increasing body of rich Americans living in
Europe on wealth which they draw from
this country. Individuals who have got
rich late in life, or whose strongest motive is
to get richer still, may resist this tide. Some
of them linger in the larger West or cities,
and some of them, like MacKay, and Mills,
Huntington and Rockefeller and the second
Gould, remain in New York. But the
families of such men are the happy hunting-
grounds of titled Europeans, and even with-
out such aristocratic alliances their children,
born to the purple of wealth, must be drawn
by an irresistible impulse to cross the sea.

Thus is wealth again drained from West
to East, from new to old. And thus in-
creasingly barren, and deary, and uninvit-
ing to all who can escape it, must become
the life of the greater portion of the country
whence wealth is steadily swept to the
centers of wealth.

The farmers of the West feel this, as
the farmers of the East are feeling it. But
they are on the wrong trail when they think
to cure it by any adjustment of the money
question. They must turn to something
more important than money. They must
turn to that which is to man the whole
physical universe, so far as he can use it—
to land. Nor can they hope, by taxes on
incomes or taxes on wealth, to check that
monstrous inequality of distribution which
is developing the hundredfold millionaire on
the one side, and the tramp on the other.
But there is a tax that cannot be escaped,
that will not burden production, that will
take for the community, that which
belongs to the community, and end both
(and the South is following) into such economic relations with the East, and the country as a whole with Europe, as Ireland has long borne to England.

The Greenbacks of the West—or, to call them by a name that they would now more generally recognize, the "money reformers"—overestimate the importance of the money question, as indeed do the orthodox writers. Money has served, and does yet serve, most important functions in exchange. Whether it were men before money, and the further progress of our civilization is steadily to lessen the use and minimize the importance of money. Money is really a mere medium of exchange—a mere expression of value, and its kind or quality is as little essential as the kind or quality of a poker chip is to the game.

Without stopping to question the validity or feasibility of the various reforms which the different schools of money-reformers propose, what could any of them accomplish to change the conditions that are making the West and South the chronic and increasing debtors of the Northeast, and the country as a whole the increasing debtor of Europe? Whether we were to depreciate our currency to a silver basis, or a copper basis, or a wild-cat paper basis, would not now Western mortgagees, for mortgage-owners have by this time sheltered themselves behind specific contracts. As for permanent effects in lessening the sectional drain, it could have none whatever.

If with the same success with which he appealed to their sectional feeling to keep their multitudinous copper in place of Wood's bright, new pennies, Dean Swift could have induced the Irish people to make their old copper the basis of the entire Irish currency, or to drive out anything even so valuable as old copper, by the issue of notes as plentiful as French assignats became at the time of the great Revolution, or Confederate notes at the close of the civil war, Ireland might indeed have had a money that would have remained there. But all the same, wealth would have continued to be drained from Ireland to England, because Ireland was in large part owned in England. For the same reason, whatever be the currency, wealth earned in the West and South must flow to the East, leaving finally a poverty akin to the historic poverty of Ireland in its place, and from the East an increasing current has already set in to Europe.

To those who have not thought much of the matter it now seems quite natural that there should be a constant flow from the older and richer to the newer sections for investment, and from the newer to the older for reimbursement. Yet between the Grecian colonies and the cities from which they were settled, to say nothing of the colonies which from our older homes migrated to Europe, we hear of nothing like what is now going on in this flow of wealth, though we do hear something very like it in the draining of the Roman provinces by the Roman capital. Nor do we hear of anything like it in the relations between England and the colonies; that afterward became the United States; nor for some time after the Revolution.

And if we look closely, may we not see that this flow springs from no real necessity, but from our adoption of the Roman or quiritary treatment of land—that is to say, our treatment of land as subject to the same rights of exclusive ownership that justly attach to things produced by human exertion? And may we not also see that the effect of this system in rendering the newer sections debtors to the older sections has been brought into activity and intensified by our modern improvements in transportation and communication, which, though in the same direction, have been vastly quicker in result and more potent in effect than the "Roman peace" and the Roman roads and the Roman posts.

The men who originally settled this country came here to stay, and brought with them what capital they had. With most of them that was very little, and with many of them it was nothing at all, for many of our fathers were sent here without their leave or came here as sailors or soldiers or indentured servants. They pressed back the Indians, they cleared the forest, they cultivated the ground, they opened roads, they built villages and towns, meetinghouses and schoolhouses, mills, and shipping. But they were not borrowers of English capital, and in all probability could not have been if they had tried. Nor, though all made a better living than they could have had at home, and some by and by acquired a modest competence, did any of them become so quickly rich that they wanted to carry their wealth back to enjoy it. The wealth they produced here turned into capital to be used here, and there was enough for all the needs of such a society as population grew.

But what would have been the effect on our early growth if the colonists had not brought to a practical nullity the proprietary grants to land in the colonies that had been made by English kings? From the first a considerable, and soon a large portion of the earnings of the people of these colonies would have been carried abroad to pay rent to the English proprietors, and if communication over the Atlantic had become so easy that the English legal and military power could have been exerted, the American colonists might have been drained by absentee landlords as the Irish people were;
individual and local injustice in the distribution of wealth—the tax on land values irrespective of improvement.

To one who has long watched and waited, it was a grand thing in the closing days of January, to see Tom Reed standing beside William L. Wilson in the House of Representatives, and marshaling his Republican Protectionists through the tellers behind the Democratic Protectionists, to save the poor timid Wilson bill from the radical amendments of Free Trade Democrats and Populists. For it was an outward and visible sign of a new political alignment that is coming.

And it was a grander thing still when, on the 31st of January, 1894, six men stood up in the House to be counted for the single tax amendment offered by Judge Maguire to the income tax. They were: James G. Maguire, of California; Jerry Simpson, of Kansas; Tom L. Johnson and M. D. Harter, of Ohio; and John De Witt Warner and Charles Tracey, of New York—one from the Pacific, three from the Mississippi Valley and two from the Atlantic slope. As they stood up to be counted, the House burst into applause. For in those six men who had insisted on their right to stand up and be counted the House recognized the thin first line of a widening phalanx—the vanguard of a force that will break existing political divisions and carry out a struggle wider, deeper, and, it may perhaps be, bitterer, than the anti-slavery struggle. But with certain results.