

CHAPTER X

PUBLIC OWNERSHIP THE SOURCE OF PERMANENT IMPROVEMENT

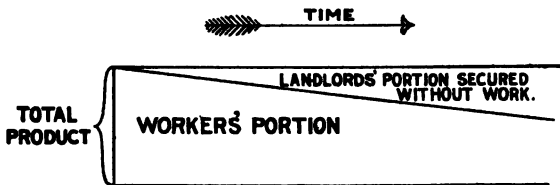
THOUSANDS of the best men and women in the world are engaged in charities of various kinds, relieving suffering and want which result from poverty, but suffering and want increase notwithstanding these labors of love. Other thousands are employed in caring for criminals, but crime is on the increase still, because poverty makes thieves and robbers and lunatics. Agencies provided for saving women and girls who sell their virtue for bread and clothes are numerous, but virtue continues to be sold, and will be sold so long as woman is an economic slave. All charitable and corrective agencies are caring for the wrecks of an irrational distribution of social income. So long as this irrational distribution is maintained there will be wrecks to care for.

Of all the numerous suggestions made for the correction of the wrongs of our industrial system pointed out in the foregoing pages, only two of them are worthy of serious consideration. These are the single tax and socialism. All other reform schemes scratch the surface and produce only temporary results. These two, similar in aim and methods, go to the roots. The single-tax proposition aims at the equalization of opportunities while maintaining the competitive system. It hopes to accomplish this through the socialization of all natural agents. Socialism aims at accomplishing substantially the same result by the substitution of cooperation for competition. Both involve public ownership, one public ownership of natural agents only, the other public ownership of natural agents together with the other means of production and transportation. With both the key to permanent social improvement is public ownership. These two propositions are appropriately noticed at this point since they are the only reforms yet proposed which promise, with any degree of assurance, permanent relief from the wrongs of the present system. This however is not the

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place for any full discussion of their merits and demerits. Mention of their more salient features only will be undertaken.

The single tax is a method. Its advocates would accomplish their end by taxing all natural agents according to their value-for-use whether they are used or not. In another chapter land-rent has been illustrated, defined, and shown to be a gratuity to the landlord class through the institution of private ownership. It was also shown that it had its origin in the growth of the community, that as the inhabitants of the world increase in number and the consequent demands upon land increase accordingly, the percentage of the total product which goes to landlords increases while that of the workers decreases. This may be illustrated by the following simple diagram :



This explains the strange title of a book,

Progress and Poverty, a masterly work of a master mind. Whatever may be our view of Henry George's remedy for this monstrous injustice which is ignored and condoned by society, we must acknowledge that in writing this work he performed a great social service and deserved to be called "the poor man's philosopher." He saw that while society has been doing what they call making progress they have also been making poverty; that where this so-called progress is greatest, there poverty is also greatest. He sought for the cause and found it, as he believed, in the ever-increasing portion of the products of industry which goes in the form of rent to the landlord class, and in the consequent increasing portion which goes in the form of interest and profits to the capitalist class, thus leaving an ever-decreasing portion for those who perform the labor.

The remedy for the injustice involved in and growing out of private ownership of natural agents must necessarily be such a re-adjustment of man's relation to these agents as will allow the entire product of labor and that only to go to the man who

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labors with head or hand, and prevent any portion of it from going to the man who does not labor.

The method suggested for the accomplishment of this end is, as already indicated, a tax placed upon all natural agents according to their value-for-use. Rent to landlord is now paid according to their value-for-use approximately. Change from private rent to public tax,—from payment of land-rent to private individuals who make no return to anybody for it, to payment of rental-tax to the community which produces the surplus. In other words, let the community turn to its own use that which the community itself produces. This proposition is supported by a large and rapidly growing number of thinking people.

We shall not undertake any full discussion of the results that would follow, but will merely point out several of the more evident, and refer those who wish to know all that is claimed for the plan to the literature of Henry George and his followers.

Assuming that the revenue from this single source would be sufficient to defray all government expenses, which would be

true beyond serious doubt, all the burdens of taxation which now rest upon the products of labor, upon industry and economy, would be removed from these and placed upon natural agents which cost society nothing. The real burdens connected with maintaining government would be abolished. Governments would be maintained at substantially the same cost, but if their support can be drawn from a surplus of product which costs no sacrifice on anybody's part, it will certainly be no burden to anybody. The income of owners of land would of course be reduced—reduced by so much as is now being given to them by society's continued blunder. Nothing would be taken from their incomes which they earn like other folks. An English economist considers a tax on inheritance as "revenue without burden." If some friend dies and leaves me \$10,000 and the government takes ten per cent. of it, it is no burden for me to receive a gift of \$9,000 instead of \$10,000. In fact it would be no burden to me if the whole of it should be taken by the government. I simply would not be lucky. The case is very similar with a rental-tax on all kinds of natural agents when levied

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according to their value-for-use, graduated as rent is graduated, and turned into the public treasury instead of into landlords' pockets. This would be no burden to the landlords. The donations which they have been receiving because of the growth of the community would be stopped, that's all. It is no burden to me if a man does not give me a thousand dollars. Taxation as now administered is an incubus upon industry, upon personal ambition, upon thrift and economy. The common methods are irrational and opposed to general welfare. Not one of them complies with the universally accepted principles of taxation. If it is possible, as it seems to be, to obtain all expenses for all forms of government from a source which will relieve the individual of tax burdens it is irrational not to do it.

A second result of the single-tax proposition would be the destruction of all speculation in land, since the object of such speculation would be removed. Under the present régime a man buys a city lot thinking that in a short time he can sell it at an advance price and "make money." The motive of this speculation is to get the advance in

value which the growth of the city causes, to get something for nothing. If lands should be taxed according to value-for-use the tax would be so high that no man could afford to buy lots and not make use of them. The tax would take the increase in value. But the buyer of the lot could better afford to build on his lot under such a régime than he can under the present since his house would be exempt from taxation. The house is the fruit of labor. This would not be taxed, but he would be called upon to pay a tax according to the use-value of the lot. Speculation in farm lands would also be prevented for the same reason. At present many millions of acres of farm lands are held out of use by speculators who are holding them for increase of value. If these lands were taxed according to value-for-use speculators could not afford to hold them out of use. They would be obliged to make use of them or give them up. It would be impossible to make use of them, at least of any large part of them, hence they would become the homes of thousands of families who are now homeless.

For the same reason it would not pay a

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man to buy farm lands and hold them for a rise in value it would not pay to buy coal fields and hold them without working them. If the coal fields were taxed according to their value-for-use one could not afford to pay the tax and not work his mines. The only reason why coal mines are monopolized is because the coal fields not worked are taxed very slightly or not at all. The present irrational theory of taxation is that unused or unimproved lands ought not to be taxed, or if at all very little. But if the unworked coal fields were taxed according to their value-in-use, the coal barons would be obliged to abandon them in whole or in part because they could not work them all. Or if they did, too much coal would be marketed for profit to them, so in either case they would be compelled to lose their monopoly power. If they gave up the unworked fields as they would be obliged to do these same fields would be open to access for others, in which case monopoly would be broken by competition. Exactly the same would be true in the case of all other kinds of mines, and all other kinds of natural agents. Speculation in these would be at an end, if

they were all taxed according to their value-for-use.

A third result which would follow from the appropriation of land-rent by government as a source of revenue at first thought appears like confiscation. This result is that it would eventually destroy the selling value of natural agents. It was seen by the aid of our illustration in the chapter on land-rent that no rent could be paid on the poorest grade of land cultivated, because it only just paid a fair compensation for the labor and capital needed for its cultivation. Hence this poorest grade has no selling value since it would not pay any interest on the investment. Now if all rent on the better grades should be taken by taxation their selling value would be reduced to the level of the selling value of the poorest grade, which is zero, since the only difference in value between these grades and the poorest is what is given to them by the surplus on the better grades. When the value of land is reduced to zero nothing is gained by owning it. All advantage is then in its use, which privilege can be secured under the single-tax régime by paying a rental-tax to the community. Under such

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a régime ownership would revert to the hands of the community. Public ownership would result. This looks like confiscation of the property of men who have been assured by society of protection of their rights if they invest in natural resources of any kind, yet it has compensations even for the men whose values seem to be destroyed. The statement of these compensations will be deferred until after the presentation of the next favorable result that would follow.

If the appropriation of rent for government expenses should destroy all speculation in natural resources by the removal of the motive for it, and if the selling value of all such resources should be destroyed, a fourth result would be an approach to an equalization of opportunities by making access to the use of land equally possible for all. A perfect equalization of opportunities is the ideal economic condition, but such a condition we must not expect on earth. It does not exist even in heaven if any of the human nature from earth has been imported into it. But we have a right to expect an approach to such a condition

on earth. The first step of progress in this direction is to recognize the fact that no such equality of opportunity does now exist. The man who very glibly declares that all men have the same chances in this country may himself have economic freedom only to go to the poorhouse, and may not know it. Competition has been supposed to be free and has been proclaimed from the housetops as the mainspring of all industrial activity. The expression "free competition" has been understood to mean that all men have an equal opportunity in every industry, that every man has the same chance as every other man to make steel rails, to equip a railroad, or to build ships. This has been the doctrine assumed and taught by economists. It is not surprising that political economy has been dubbed "the dismal science." Thoughtful men have felt that the doctrine was false and yet because those who ought to know said that competition was free, they have in theory accepted the doctrine as true, but in practice have demonstrated its falsity. Whether competition is free or not depends upon the kind of freedom one is talking about. If he is

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talking about legal freedom—Yes, competition is free. If he is talking about economic freedom—No, competition is fettered, strangled, in some fields dead. All men are legally free, most men are economically bound. Legal freedom, economic bondage,—this is the state of those who do not own natural agents or that which can be exchanged for such agents. All men are legally free to enter any business they choose to enter. The cobbler is legally free to refine oil. The street sweeper is legally free to build a railroad. Why does n't he do it? There is money in it. "Competition is free." In these days the millionaire only is economically free. The poor man is in economic bondage. The failure to distinguish between legal and economic freedom is the cause of endless befuddled thinking and talking. Taxation of all natural agents according to their values-for-use, it is claimed, will establish and maintain substantial equality of opportunity for all by establishing and maintaining access to these natural agents for all on exactly the same conditions, which means freedom of competition in a fair and open field in a much truer sense than is

possible where private ownership of natural agents prevails.

We have said that the apparent confiscation of property in the execution of the single-tax proposition has its compensations. All that one can ever get out of natural resources of any kind is *use*. In the case of a city or town lot, use, and nothing else, is all the advantage there is in it for anybody. So in the case of water-power or navigation privileges. All the farmer can get out of his land is its use for cultivation. The only advantage to anybody in a mine of any kind is its use. The same is true of forests, fisheries, etc. Hence if one is not disturbed in his use of his land, and he continues to use it for his life time, there is no confiscation for him. It is only apparent. If under the proposed regime he wishes to give up its use, he can sell his right to use, or he can secure the use of other land without buying it as he did in the first case, by simply paying a rental-tax for its use. So again the confiscation evil does not appear as great as it would if a man should be deprived of a privilege which he secured by the investment of a sum of money and no privilege given in return.

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For example suppose a man has bought a city lot for \$2000. He is using it by living in a house which he builds on it. After this has been done suppose the above proposition to tax land values only has been put into execution. The selling value of his lot has been destroyed. Apparently his \$2000 has been confiscated, but the selling value of all other land has been reduced to zero also, so he can go to some other lot and get its use without paying for the lot as he did in the case of the first. He can get its use by paying a rental-tax for it, and if he continued to occupy the first lot he must pay for its use also. So the severity of the confiscation to the individual melts away in the light of his compensations. The same would be true of all kinds of natural agents. Yet there would be wrongs, but these wrongs to individuals which would be inflicted by the appropriation of rent for government expenses would be greatly alleviated by changing from the present regime to the proposed regime gradually. If twenty-five, thirty, or even fifty years should be occupied in making the change whatever wrongs to individuals were to be suffered would be distributed,

since the ownership of natural resources would in most cases change hands, perhaps several times while its market value is being reduced. The longer the period used in lightening and finally abolishing other forms of revenue, and in putting into force the one tax on land values, the less would be the wrong to any one individual.

So then it appears that the apparent confiscation has its compensations. Suppose, however, it could not be alleviated in any way, but owners of natural resources would be compelled to suffer all the wrong just as it appears at first thought, would it be advisable to undertake the change? Such a question must be answered from the point of view of public welfare, and not from the point of view of the individual's advantage, or even from that of the advantage of any class. If it is evident, clearly evident, that the welfare of general society would be served by such a change, most assuredly it ought to be made. That is right which contributes in highest degree to general welfare. Ardent single taxers say with much reason that the case finds a parallel in the abolition of slavery, that social welfare was served

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by freeing the slaves which was wholesale and sudden confiscation of property. The abolition of slavery took place when the majority of the people in the nation believed that general welfare would be served by its abolition. This was the ground for claiming it was right. So now single taxers claim since private control through private ownership of natural resources is the cause of the existing economic slavery, it is right to break that power of private control even if real confiscation for a class is a result. General welfare forever outweighs class interests.

The final result of this method of taxation in full force would be public ownership of all natural agents, which is partial socialism. The advocates of the single tax think that this partial socialism would paralyze the present power of control over the division of social income and so distribute this power among the people that they can correct the evil results of the present distribution. They say that since natural agents are the foundation of all wealth-producing processes, control of these agents carries with it control also of all capital represented in the tools of production. Hence this control in the

hands of the people will lead to the correction of the injustices connected with the uses of capital as well as with land-rent.

Socialists do not deny that the advantages of this partial socialism would be great, but they claim that highest social welfare will not be secured thereby. They think that public ownership of natural agents only is not sufficient. It must extend to all other means of production. They say also that co-operation of the community must extend not only to the ownership of all means of production, but also to the operation of all productive processes. Community ownership of the means of production and common management of the productive processes necessitate a revolution in the method of distribution. These are the cardinal principles of socialism. Socialists claim that nothing short of the execution of this radical program will insure the destruction of the present centralized power of control over distribution.

In a former chapter it was pointed out that capital as popularly understood performs two distinct functions, one legitimate, the other illegitimate. Its legitimate func-

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tion is to assist labor in changing the form and place of material, while its illegitimate and non-essential use is to control the material. It was shown that this illegitimate function of private capital is the key to distribution. Both single taxers and socialists aim at the transfer of this key from the hands of individual citizens to the possession of the community. Single taxers have a definite method for accomplishing this. In the main socialists agree as to what is to be accomplished, but they have yet not given so definite a method as to how this is to be accomplished. Since the change to be wrought is so great, it is perhaps well for its promoters not to attempt to outline a definite method for their much more radical movement, but rather to allow future developments to determine what their methods shall be. At the present time a few coal, oil, and railroad magnates are doing more to determine socialistic methods in America than all the rest of the world together. Apart from method what can in fairness be said of a scheme of social organization which proposes community ownership of all the means of production and transportation,

and community management of all industrial operations? Several observations are pertinent.

The spirit of socialism is all that can be desired in an industrial organization. The absence of selfishness which is the soul of the competitive system with all its evils, commends the proposition for community cooperation. It is an ideal which might have been inspired by the teachings of the Nazarene. Possibly it is too high an ideal for the human animal, and will for that reason be refused a place, as other high ideals of the Nazarene have been rejected for nearly two thousand years. The spirit of socialism if applied would correct the monstrous injustices of the competitive system without changing ownership or power of control. It would change the motive of all industrial activity from profit for the individual to welfare for all. This spirit however is not that namby-pamby parentalism which would say to a portion of society, "now you sit down in the shade, or go out and play games, we will do the work and look after your wants." It is rather that sturdy spirit which says to every man "you shall be provided with an

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opportunity to make a living." To the laboring man it says, "you shall be provided with an opportunity to make a living for yourself without first being compelled to contribute to the living of capitalists and landlords." It would say to these capitalists and landlords, "you shall be provided with an opportunity to earn your living as other men earn theirs, but you shall no longer get your living and more by taking it through some slick scheme out of the products of other men's toil." The spirit of socialism would give to every man a fair show in life with all other men.

To those who do not distinguish between socialism and communism, the socialist proposition seems to be destructive of individual ambition. Communism would be, but socialism would not only give the individual a much fairer opportunity than he now has, but would also furnish a thousand-fold more inspiration than is furnished by the monstrous hybrid between monopoly and competition. Few men to-day have true inspiration in their industrial life. It is rather a slavish hustle. Most men are moved by a slavish necessity. There is no

general real inspiration. There never can be where there is no equality of opportunity. Give a man a chance and he is inspired. Destroy his chance and he is stupefied. Communism means common ownership not only of the means of production but also common ownership of the wealth produced. Such a scheme would destroy individual ambition. But socialism, while proposing common ownership of the material instruments of production, would use this common ownership as a means to an end, the end being such a division of social income as will insure to every man as nearly as possible the results of his efforts. Such an adjustment necessitates distribution by common authority, but it does not necessitate an equal share to all. This would be next door to communism, and would be destructive of individual ambition and development. Distribution by common authority can, however, be placed on some rational basis of merit, which most assuredly will produce results a thousandfold more equitable than are now produced by the existing irrational process, if not ideally just. A basis can be worked out by experience which will aim at giving

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to every man the product of his own labor, which the present method does not pretend to do. If, under a social organization which required distribution by common authority, those to whom the distribution should be entrusted should adopt some method of dividing wealth as it is being divided this minute, they would need to call on the military forces to protect themselves from a righteously outraged mob.

Neither of these two propositions for the improvement of social conditions is a perfect scheme, but what is claimed for them here is that they are the only propositions now before the world which put the social surgeon's knife where it ought to be, and cut the bonds of private ownership of natural agents at least. During the entire history of this country the institution of ownership has received almost no attention in comparison with its importance. With some slight modifications we have accepted the ideas of ownership inherited from the Europe of the past. In what fields and to what extent public ownership should prevail has never been seriously considered by us as a people. When the government was

organized it was thought that the means of communication was too important a matter to be entrusted to private individuals, so the postal business is owned by the public. Transportation of goods was left to private enterprise, but because express companies are unreasonable in their charges the people are now talking about the "parcels post," which means public ownership of an express business. Since the means of making all exchanges of goods and services ought always to be exactly what it appears to be, the coinage of money is too important a matter to be entrusted to private enterprise managed for personal profits, so the public owns the mints and controls the currency. During the last century the importance of general education was so generally recognized that the people demanded that this should no longer be left to private enterprise or to church care, so we have our public-school system, that monumental evidence of what the people can do for themselves when they really undertake to do something. The public highways are a further illustration of public ownership where the welfare of the people would have been jeopardized if own-

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ership of the highways had been left in the hands of private individuals or corporations. These are simply examples of what the people are now doing through public ownership, and point out the source of permanent improvement. How far public ownership should be carried must be determined by future developments.

After feeling the touch of the power of monopoly the gray matter of the thinking public is quietly at work along the lines of public control, or of possible public ownership, and it leads to such radical conclusions that many of those who have gone far enough to draw conclusions only dare whisper them for fear of being called socialistic or revolutionary. Conclusions favoring public ownership of all municipal utilities, of railroads, of telegraph and telephone, of express business, coal mines, etc., are, however, being freely and emphatically expressed. But why stop here?

Private ownership in almost all fields of business enterprise has been left unquestioned so long that any encroachment by the government upon the domain of private enterprise is met by the assertion that this

is illegitimate interference, that this is not the business of government, etc. Men talk about government as if it were something extraneous to themselves, something foreign, some agency which is employed for some uncertain and undefined purpose. The function of government most common in the minds of the people, and the only one in the minds of many, is that of defence, protection from foreign foes, or the protection of the individual in his rights. This is narrow. The function of government, democratic government, can be exactly what the people choose to make it. Government is their means to some common end, to any end they may decide upon. If, instead of continuing the lunatic chase for gold, the people should awake from their nightmare and decide to produce only so much wealth as would support all in decency and comfort, should make wealth a means to some high end instead of the end itself, if they should decide that the end should be life, completest development, enjoyment of highest culture, it would be entirely within their province to do so.

The preamble to the Federal Constitution

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contains four words which sum up and state in splendid form the purpose of all government, namely, "to *promote general welfare.*" Any government, of nation, state, or municipality, which has any other purpose has no excuse for existence. The promotion of general welfare in its broadest, highest sense ought to be the platform of every public official. If with any man it is not, he is unfit to be pathmaster. In a democratic form of government, which we have been supposed to be, the thing we call government is simply the means employed by the people to secure general welfare. It is a sort of machine for nation, state, or municipality, in form such as the people think best to adopt. Each machine must be operated; hence our public officials, men placed, supposedly by the people, in their positions of trust to operate these governmental machines. If now these men, true to their trusts, have reasons to believe that in order to promote general welfare they must interfere with what is called private enterprise, it is not only their privilege but it is their solemn duty to so interfere. The people's interests first, last, and always.

Every private business enterprise is a privilege granted by society to the individual. When a man establishes any business whatsoever, whether it be industrial, mercantile, professional, or of some other sort, he enters into a contract with the rest of society. The charter of a corporation, for example, is a partial formal contract between the corporation and the people. A contract, however, is not necessarily a formal, written document. A man does not necessarily go to society's official representatives and formally ask for the privilege of establishing a business, but he nevertheless accepts the well-known conditions upon which he may establish it, and so tacitly he enters into a contract. In every such contract society is one of the contracting parties, and always the superior party, the party who confers all privileges, who confers all privileges on certain conditions, however, and agrees on its part to protect the individual in the enjoyment of the privileges conferred. On the other hand those who receive the privileges and protection put themselves under certain obligations to the public. Men often forget these obligations; they forget their own help-

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lessness. They forget that every business is absolutely dependent upon the patronage of society. Society can dispense with any business man without a ripple. But no business man can dispense with society. The man who thinks otherwise will be converted from the error of his way if he will go to some desert isle and there undertake to establish a business through his own self-sufficiency. Many men not only forget their helplessness, and repudiate the idea of obligation to society, but they assume that society on the other hand is under obligation to them for favors conferred. Yes, there is social obligation so long as a man conducts his business with fairness to the public, and seeks only a fair compensation for himself. Under such circumstances there is mutual obligation. But when a man undertakes to loot the public by buying or stealing franchises, or by stock-watering processes, or by any other means whatsoever, he has forfeited all claim to consideration on the part of the public. It is then time for him to be dispossessed of his business privileges. In these days of great wealth-concentration at one end of the social scale, arranged on the basis of possessions,

and of widely extended poverty at the other end, in these days when competition in many important fields of industry is dead beyond resurrection, and combination of interests securing monopolistic power in greater or less degree prevails, it is fast becoming the duty of public officials to decide what enterprises in their jurisdiction shall remain in private hands and what shall be owned by the public. This is the issue soon ahead of us. That it must be met, there is no reasonable doubt. In municipalities the issue is upon us. Just where the line between private and public ownership at the end of the next quarter of a century will be drawn it is impossible to say, but one thing is evident: The temper of the people towards private monopoly is such that its power will be destroyed before this issue is ever permanently settled. When all the people know what they are being subjected to through this power, and the enormous advantages to themselves in public ownership of enterprises now monopolized, they will never rest until the matter is corrected.

The present indications are that the people will first undertake to regulate the power of

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monopoly. We are now fairly entered upon this phase of the transition, the change in industry from monarchism to democracy, which we are supposed to have in government. Democracy in government and monarchism in industry cannot live together always. The inconsistency is too great. The attempt at regulation is seen in the wave of anti-trust legislation which has swept over the country in the last decade or two; in the establishment of the Interstate Commerce Commission and the later increase of its powers; in the establishment of the Department of Commerce and Labor, with its almost unlimited powers of inquiry; in the recent state and national legislation to control railroad rates; in the effort to supervise the production and sale of drugs and food products; in the movement to limit charters and franchises to a term of years; in many other more or less important efforts at regulation in all parts of the country. This movement is also seen in the mass of current literature expressive of public sentiment demanding governmental control of enterprises where private monopoly is now king.

It is very doubtful whether the people fully realize at this stage of the transition what regulation of monopoly really means, if ownership is left in private hands. The prizes to be secured through monopoly are so great that not only the unscrupulous man, but also the man educated to think that legality and justice are one and the same thing, and the man with conscience calloused by familiarity with prevailing business methods, will resort to almost every conceivable subterfuge for the sake of securing them. The methods now employed by many men are subversive of government, anarchistic. Such men are our most dangerous anarchists. Remembering the weaknesses of men, remembering also how firmly monopoly is entrenched in special privileges conferred by the government through traditional and legalized institutions, one has small ground for hope in public control of the monopolistic power of any important enterprise so long as the ownership is left with the individual. Possibly it can be done, but the means of accomplishing it would be as revolutionary as the transfer of ownership. All monopolistic power is

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built upon special privileges. These special privileges are chiefly of four forms—franchises, patents, tariff protection, and land tenure laws. To destroy all monopolistic power and still leave ownership in private hands means not only a revolution of our patent laws, not only the abolition of franchise-giving, not only the abolition of all tariff protection, but also a revolution in our land tenure system. This is the sort of a revolution one is advocating when he advocates effectual public control of all private monopolies. Any effective scheme for control must embrace some radical change in the control of natural agents, since all monopolies of any great strength have their feet on the ground. The right to put their feet on the ground is given by the people in the form of franchises to use the ground, or in the form of titles to own the ground. Control of natural agents is the key to the situation. Effective control of these agents is exactly what is gained by ownership. Ownership is sought for the sake of control. Effectual public control destroys the value of private ownership. However, only through the destruction of

the value of ownership to the individual can effectual public control of natural agents be secured. Effectual control is virtual ownership.

Any attempt at regulation of monopolistic power leaves the same set of men in the management, with exactly the same end to be gained, and by substantially the same methods. This means continual appeals to the courts, which is always expensive, but the expense might be borne perhaps without serious complaint if we could always depend upon the courts. One of the blots on the American Commonwealth is the sale of court decisions for personal friendship, for political purposes, and, as we are compelled to think, sometimes for material compensation. Furthermore it often happens that would-be courts of justice are prevented from being such by obsolete constitutions, state and national, and by laws made in conformity with them—constitutions made for dead generations.

It is very doubtful whether the people, when they come to fully understand that effectual control is in ownership only, will be content with anything short of public

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ownership of all monopolized industries. This is certainly the most direct and most effectual method of promoting general welfare through industrial life. How far public ownership ought to be carried cannot be determined at any time for any future time. The principle, however, has been settled, that in those fields of activity where public welfare demands it ownership should be lodged in the hands of the public. This principle was acted upon by the founders of our government. Nothing has ever been done to limit its application. True its application has never been much extended for the simple reason that during the most of our history there has been no real need for extending it. But the last quarter of a century has brought the imperative demand. General welfare is not being promoted in a degree at all commensurate with the vast wealth produced. At present the application of this principle would establish public ownership at least of all municipal utilities, of the railroads, of the telegraph and the telephone, of express business, of all coal fields, of iron and copper mines, of the oil fields, of the forests, and of all other natural

agents necessary to general welfare and which are so located that they can be owned and controlled by individuals. As fast as competition is buried in a grave dug by monopoly, ownership must be put into the hands of the people. The motive of operation must be changed from private profit to general welfare. Only when this change has been wrought will a fair and equitable distribution of the products of industry be secured.