

DEMOCRACY AT RISK

by  
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The United States is historically unique among the earth's powerful nation-states, for Americans -- the overwhelming majority of us -- have enjoyed a greater degree of individual freedom and uniformly enforced political rights for a prolonged period. During this same period much of the rest of the world has fallen victim to very oppressive power struggles. At one extreme are those people subjected to totalitarian rule (more or less Marxist-Leninist in practice); a second group of extremists govern authoritatively as small elites or military dictatorships. All are police states where basic human rights are subordinated or denied in favor of positivist law. In such a world as this, we should be very concerned with the future of democracy. The real question is what are we to do?

The first step in attempting to answer this question is to identify the reasons why events have unfolded as they have. Perhaps then we can embark upon a course that serves our true national interest; which, I suggest, is to encourage the protection of individualism within a system characterized by cooperative, participatory government. Those values and our democratic experience have a solid foundation in our forefather's Anglo-Saxon heritage.

The English deserve a great deal of credit for the evolution of participatory government, and in many ways our society is an extension of their experiment. England's citizenry bore the

burdens of conquest, feudalism, monarchy, the enclosure of the commons and aristocratic domination -- and fought long and hard for a voice in self-governing. However, any attempt to draw a direct connection between that struggle in England and the development of democracy in America ends up a dangerous proposition.

A closer examination of history reveals that the Parliament of eighteenth century England was far from democratic in either philosophy or action. Despite the ongoing political battles against absolute monarchy, the participatory goals of Parliament's defenders were narrowly focused on the interests of the landed aristocracy and wealthy merchant class.

What changed the course of history and set the stage for the evolution of England's own political economy was the discovery and eventual settlement of the North American continent. After the turn of the seventeenth century the migration of settlers to the New World grew rapidly, while the continuous conflicts between England and its neighbors (both in the British Isles and on the European continent) prevented any meaningful attempt by King or Parliament to invoke a tight reign over the colonies. To do so would have required an enormous military presence, at a cost the aristocracy would never approve and, as Spain discovered, the citizenry could not sustain. Some insight into the reason why this situation prevailed is to be found in the history of England's civil wars:

The vital period in the formation of Britain's policy towards her Army was the period of government by Cromwell's major-generals. The people of England were then subjected to a military dictatorship, they were ruled by Army officers who were professional soldiers, and who ... usually had no stake in the country, and often were military adventurers. Their government was harsh and arbitrary, and the nation came to detest the very name of the Army.

After the Restoration, nation and Parliament were equally determined that never again should the Army be in the hands of men likely to bring about a military revolution and impose a military dictatorship. With this object, purchase was introduced when a standing Army was formed in 1683. Men were to become officers only if they could pay down a substantial sum for their commission; that is, if they were men of property with a stake in the country, not military adventurers.\*

Raising armies during the eighteenth century to serve as policemen and protectors of financial interests in the colonies cost a great deal of money; this was a task the English Parliament left largely to colonial militia -- a decision they lived to eventually regret. The die was cast with the birth of the first generation of native "white" Americans. In no other place were so many people of European stock enjoying such a high degree of independence and individual freedoms. They were virtually free of oppressive government interference; and, unlike the vast majority of their English cousins, had free access to the bounty nature provided for the taking.

The original American character (arising out of cooperative enterprise and self-sufficiency) was forged in this open system of political economy. The experience of freedom sparked the natural demand for individual participation in the process of

governing and also a distrust of centralized authority. These were extremely important allies to English (and other European) democrats who were fighting for the rights which arose in the frontier that was America. This observation led American economist Peter Drucker to conclude (in THE FUTURE OF INDUSTRIAL MAN, 1942):

... the possibility of emigration to the free soil and the equal opportunities of the United States were the safety valves ... which kept the European social system from blowing up.

Although the draw of North America was powerful, the subsequent history of Europe proved to be violent and brutal, with some important exceptions. "The American Revolution," writes Drucker, "brought victory and power to a group which in Europe had been almost completely defeated and which was apparently dying out rapidly: the anticoncentralist, antitotalitarian conservatives with their hostility to absolute and centralized government and their distrust of any rule claiming perfection. It saved the autonomous common law from submersion under perfect law codes; and it re-established independent law courts. Above all, it reasserted the belief in the imperfection of man as the basis of freedom." What is most interesting is this view of the American revolution as "conservative" in origin and action. This conclusion is extremely important.

Free access to land meant an almost universally propertied

American citizenry (slaves and conquered native peoples the notable exceptions). The new Americans eventually fought England as any indigenous people would fight against a foreign invader -- in order to protect their rights to landed and other private property, as well as their freedom from centralized authority. Their victory weakened the strength of the anti-democratic regime in England and loosened its monopolistic grip on the English population, who now had a powerful political and economic weapon at their disposal -- the opportunity of migration to America. The reception given to Adam Smith's THE WEALTH OF NATIONS, an anticentrist, antimercantilist doctrine, provides evidence that this change was gaining momentum.

After more than two hundred years, democracy is once again seriously threatened and is at risk. Population has grown many fold, and with it the powers of the State. The days of the frontier and its free access to land are also gone; only one frontier remains, that of outer space. But we are still far from being able to colonize the universe in great numbers. With the land of the earth carved into established political States and, within those States, controlled by private interests or government concerns, the conflict between those who are propertied and those who are propertyless has reached a stage of critical intensity around the world -- including in the United States. Ironically, this inevitability was seen by two Englishmen at the beginning of this century -- whose calls for positive

change fell on deaf ears.

First came Max Hirsch; in 1901 his book DEMOCRACY VERSUS SOCIALISM attacked not only Fabian socialism but also what he saw as common and fundamental violations of natural rights in the so-called democratic states. "Individualism, the full freedom of each individual, limited only by the equal freedom of all others, has never yet been reached, and the social injustice now prevailing exists, not on account, nor in spite, of Individualism, but through limitations of Individualism imposed or acquiesced in by the State." That was Max Hirsch's indictment. As he saw it, underlying the denial of true Individualism were a whole host of State-sanctioned monopolies. Of particular concern were those manmade laws and policies that supported the concentrated control over a nation's land and natural resources (which Hirsch believed could not be legitimately viewed as private wealth, since they were the source of wealth for all citizens). That the State might control these things through a policy of "nationalization" was, thought Hirsch, as undemocratic as their control by a small number of private interests. An identical position was taken in the political arena by Winston Churchill.

At King's Theatre in Edinburgh, on May 17, 1909, Churchill similarly attacked these same monopoly interests.

In this country we have long enjoyed the blessing of free trade ..., but against these inestimable benefits we have the evils of an unreformed and vicious

land system. In no great country in the new world or the old have the working people yet secured the double advantage of Free Trade and Free Land together, by which I mean a commercial system and a land system from which, so far as possible, all forms of monopoly have been vigorously excluded.

At the end of that speech, Churchill quoted Cobden (England's staunch free trader of an earlier era): "You who shall liberate the land will do more for your country than we have in the liberation of its commerce."

Our failure to recognize this threat to democracy and to work toward removing the monopolistic character from our system of landownership has given renewed energy to the political forces that call for centrism -- and can only lead to authoritarianism and totalitarianism. This process is evident in our own country, where less than 3 percent of our citizens own (either individually or through corporate stock ownership) nearly 95 percent of all the privately-owned land and natural resources of the nation. As a result of this concentration, we have experienced a continuous bombardment of reactionary activities -- unionism, protectionism, resource and industry nationalizations, as well as massive governmental intervention in every aspect of our lives. This trend would not have surprised Max Hirsch; nor would the tremendous amount of waste, fraud and corruption that characterizes our society. Again, from DEMOCRACY VERSUS SOCIALISM, he writes:

... where democratic governments have undertaken the conduct of industrial functions, the task has generally fallen into unreliable and incompetent



hands. Universal experience proves that the more detailed governmental functions become, the more they deal with industrial matters, the less lofty is the type of politician. Abuse of power, neglect of duty, favouritism and jobbery have been the almost universal accompaniment of industrial politics.

Democracy cannot thrive where State control is called on to mitigate private monopoly; that is not a solution to the problem. State control eventually becomes more dangerous and oppressive despite whatever motives are claimed. Both Winston Churchill and Max Hirsch put forth the same proposal for protecting the future of democracy, an idea inherited from the American political economist and reformer, Henry George. What he demanded was that those who owned the land be required to pay an annual tax equal to the full POTENTIAL annual rental value of the land controlled. Then, to the extent permitted by legitimate revenue needs, tax nothing else -- not wages nor the value of any income derived from the production of goods or services performed. This is a formula which rewards wealth-creating and cooperative activity -- as existed in the frontier days of early America.

Our system of redistribution of income, most of which comes from the earnings of labor and capital, has resulted in a growing division among our citizens and the development of class conflicts. Moreover, extremely favorable treatment of land and resource holdings for tax purposes has made speculation in these areas a major form of "investment" activity among the very wealthy in our country. Here is a primary cause of inflation;

the price of land has gone far above what most potential users can pay (when it can be had at any price), resulting in the growing unemployment of both human and capital resources.

While Thomas Jefferson recognized the dangers being carried over from the English system and feared that the seeds of division were already underway even as the Revolutionary War was ending, it was Tom Paine (more than any other leader of the time) who understood what was needed to secure the future of the new nation.

Man did not make the earth and, though he had a natural right to occupy it, he had no right to locate as his property in perpetuity any part of it; neither did the Creator of the earth open a land office, from whence title deeds should issue ... it is the value of the improvement only, and not the earth itself that is individual property. Every proprietor, therefore, of cultivated land owes to the community a ground rent, for I know no better term to express the idea by, for the land which he holds; and it is from this ground rent that the fund proposed in this plan is to issue.

Over two hundred years have passed. A civil war has been fought. Two global wars as well. Science has produced uncounted advances in our ability to utilize nature more productively and with great efficiency; we have so far been able to obtain more from less. Thus, even though much of the nation's source of wealth is drifting into fewer and fewer hands, our citizens remain optimistic. Only a few individuals today realize the seriousness of these problems. The question is not whether the remaining democracies will succumb to control by centralized authority, but how long the inevitable will take to occur.

Democracy is at risk and only the democratization of access to land and natural resources can tip the balance back in its favor. This political struggle is, more than any other, the determining factor in the conflict between man and the State.

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