

## Rights and Privileges By WARREN S. BLAUVELT

**T**HE Sixteenth Amendment, which became effective on May 31, 1913, has resulted in legislation which curtails the natural and ethical right of each to the fruits of his labor, thrift and enterprise.

On January 31, 1934, President Roosevelt arbitrarily and illegally reduced the value of the dollar 40.95 per cent in gold or increased the value of gold measured in dollars 69.35 per cent. This action of the president curtailed the right of bond holders to receive interest on their bonds and the principal at maturity, in dollars of the same standard that they had paid when purchasing them.

The Social Security Act of January 31, 1934 and all the subsequent legislation enlarging its scope, have curtailed the right of all to the full natural rewards of their thrift, industry and enterprise in order to provide funds to care for the unfortunate and to relieve ne'er-do-wells from the consequences of their follies, by making them a privileged class.

On July 5, 1935 the Wagner Act became effective. This destroys the right of wage earners and employers generally, to make individual contracts and confers special privileges on labor unions and on their leaders.

All these laws are alike not only because they curtail the rights of all and increase the legalized privileges of some; they also tend to promote discord, spread poverty and cause inflation. They lack that justice which alone can produce the fruit of internal peace, the best preparation for external peace.

But all legalized privileges are denials of justice—of equality in the rights to life, liberty and the pursuit of happiness. Injustices are not sanctified by age. The privilege of owning other people as property and treating them as the owner pleased, and the privilege of owning land to do with it as the owner pleased, retaining for himself the values produced thereon by society, were twins born in prehistoric times. Probably slavery was the first born. These twins had some characteristics in common. All property in slaves traced back to conquest, violence or fraud, as do all titles to property in land. The lawful title of land ownership, like that to slave ownership a century ago, gives the privilege of collecting a parasitic income — one for which no service is rendered in exchange.

There are however interesting differences in the details of the functioning of these twin privileges. The owner of slaves, owned the full product of both their productive and reproductive labor. The slave owner's annual net profit from his privilege was the increase in the value of these two different kinds of products during

the year over the costs of production and maintenance. If during the year the total value of all the slaves decreased, the amount of the decrease was depreciation of capital assets and so reduced profits.

When I speak of the privilege of land title owners, I refer only to the site and not to any improvements thereon. Improvements are products of labor; ownership of them by their producers is a right which includes the right to sell and transfer title.

The owner has the privilege of collecting from the user the full annual value of the services rendered by society without any charge to the user of the site. For this privilege, the owner pays to governments, local, state and federal — the alleged representatives of society — from 5 per cent to perhaps 50 per cent of the actual

or potential rent. The owner gets what he considers the highest rent obtainable for the site, and the user decides that use of that site is worth more to him than any other available site for the same ground rent.

There is no compulsion either way and free services of society at large are worth the full amount of the rent. In this case the producer of the rent, society at large, is robbed by the privilege of the owner of the site of a large share of its product. But as society means all of us; no individual is directly and clearly the victim of robbery and the evil effects of the robbery are not as easily seen as in the case with slavery. But the fact remains that society is robbed by the site owners of the country of more than half of its product—ground rent.

The Constitution, following the traditions of all nations, gave the power to Congress "to lay and collect taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare," but limited that power as follows: "No capitation or other direct Tax shall be laid unless in Proportion to the Census or Enumeration herein before directed to be taken. So Congress levied taxes based on the general principle that "the best taxes are those that pluck the most feathers from the geese with the least squawking." No one at that period had persistently sought justice in the field of taxation. So Congress levied taxes on imports and excises on certain manufactured commodities — indirect taxes which increased the prices paid by ultimate consumers by amounts greatly in excess of the taxes paid.

But many of these taxes, while robbing ultimate consumers, conferred privileges on some others. This was notably true of the tariffs on imported goods. The political history of our

country is largely the story of struggles between different groups striving for profitable privileges for themselves at the expense of others. The recent alleged reforms in labor legislation have not eliminated or even curtailed ancient privilege, but have added what is growing into an unbearable load, the new privileges granted to labor unions and their officials. These were listed in a letter by Towner Phelan, Vice-President of the St. Louis Union Trust Co., published in 1946 as follows:

1. The special privilege of immunity from suit.
2. The special privilege of financial irresponsibility.
3. The special privilege of violence by union mobs.
4. The special privilege of exemption from injunction.
5. The special privilege of exemption from anti-trust laws.
6. The special privilege of racketeering.
7. The special privilege of coercing union members.
8. The special privilege of obtaining contracts under duress.
9. The special privilege of immunity from Corrupt Practices Act.

These new special privileges have stirred up active opposition. Unfortunately this opposition generally does not deal with or even allude to, the underlying cause of the conditions which made the "New Deal" and the "Fair Deal" possible and profitable politically.

Is it too much to hope that in a not too distant day, the scientific and effective method of reducing the diseases afflicting the body politic will replace the ineffective emotional political activities which have continued for so many years? Let us not be so busy doing good that we have no time to seek God's justice.