

LESSON

X

THE TRUE REMEDY VS. OTHER PROPOSED  
REMEDIES

*"The last end of the State is not to dominate men, nor to restrain them by fear; rather it is to so free each man from fear that he may live and act with full security and without injury to himself or to his neighbor."—SPINOZA in "Tractatus Politicus."*

*"Beyond maintaining justice, the State cannot do anything without transgressing justice."—Spencer in ELIOT'S "Herbert Spencer."*

WE HAVE BEEN DISCUSSING THE MAIN CAUSE OF OUR economic ills, and their cure. It has not been possible to cover all details; if however in studying the subject, the student will keep fundamental principles clearly in mind, he will find that the details tend to fall into place of themselves.

There is still one very important question, however, discussion of which should not be omitted, as it comes so frequently to the surface, i.e.: "Is not the abolition of private property in land a step toward some form of collectivism?" To this question the Socialists often reply: "The Single Tax is all right. We believe in it. Its only fault is that it does not go far enough."

But the true answer is: it is *not* a step toward collectivism. Even though "Single Taxers" and Socialists both

advocate the abolition of private property in land, yet in spite of this they stand on principles essentially antagonistic. For while the Socialist would destroy private property in land as but one step in a program of *destroying* practically all private property rights, the "Single Taxer" would destroy private property in land as the only possible means of *insuring* private property rights.

The two theories are like two roads running at right angles. Where they cross they have a point in common, but they do not start from the same point, do not run in the same direction, nor are their destinations the same.

The goal of the "Single Taxer" is equality of opportunity for all with the greatest possible liberty for the individual. The goal of the Socialist is equality of wealth for all with control of the individual, his activities, and his product, by the State.

There are only two governmental philosophies. According to one, the liberty of, and justice to, the individual are the objects which are of supreme importance; the welfare of society being only secondary and incidental. Those who subscribe to this philosophy are the individualists. According to the other philosophy, the welfare of the State is the object of supreme importance—the individual is considered only from the viewpoint of his value to the State. Those who subscribe to this philosophy are the collectivists, one group of whom has appropriately named themselves "Societyists," or "Socialists." All governments, and all acts of all governments are motivated, consciously or unconsciously, by one or the other of these philosophies.

Communists, Socialists, Nazis, Fascists, New Dealers, "Single Taxers," Anarchists, and many others agree that there is something radically wrong with the

present distribution of wealth; they agree also that in some way involuntary poverty should be eliminated; but here all roads part. Not agreeing as to the cause of the condition, the methods which they would employ to secure its removal differ widely.

The Anarchist is the extreme individualist. Like the others he wishes to have economic justice among men, but believes this can best be accomplished by having no government at all. He contends that no man is fit to govern another. The "Single Taxer" points out that, because land differs in productivity, in order to have economic justice there must be rules regulating land tenure. Otherwise, we cannot insure equality of economic opportunity, and without such equality there can be no economic justice. But rules of any kind regulating the acts of people living together in society, and the enforcement of these rules, constitute government. Under true Anarchism, a condition of no government at all, there could be no such regulations to insure economic justice among the citizens.

However, governments today are not tending toward individualism, but in the diametrically opposite direction—toward various forms of collectivism. Communism, socialism, nazism, fascism, are all founded on the same principle, i.e., that it is proper for the State to regulate the life of the individual and to control his property for the benefit of the State. A study of the recent legislation in the United States will show that much of it, too, is based on the same principle.

All attempts to "divide the wealth," imply that what a man produces does not belong exclusively to him. Many people truly believe that "soaking the rich" relieves the poor and therefore it is justified. But revenues

raised with the idea of "soaking the rich" not only cannot help the poor man, they actually make his condition worse. For such taxes, by relieving land from taxation, result in raising the price of land above what it otherwise would be and thus indirectly, but inevitably, cause lower wages, increased unemployment, and higher prices for the goods the poor must buy.

Movements to "divide the wealth," to "soak the rich," to "tax in accordance with ability to pay," all State subsidies, all government bonuses and relief—all are communistic in essence. Their aim is to take from those who have and give to those who have not, without regard for true equity or justice; their result is increased unemployment and poverty, and decreased liberty for the individual.

What are socialism and communism and what is the difference between the two? There are many definitions of socialism, almost as many as there are books written about it. One of the simplest and yet most complete and widely accepted is that given in the *Encyclopaedia Britannica*:

"Socialism is a policy which aims at securing, by means of the compulsory powers of the State, a better distribution, and in due subordination thereto, a better production of wealth. To this end it would have the State own the land and large workshops, and the materials and means of production on a large scale, with strict public regulation of all trade and industry."

There is no reference here to a just distribution of wealth, nor is there any reference to the importance of safeguarding the liberty of the individual. In this the statement is consistent. For the regulation of trade and industry by the State requires also the regulation of the

lives of the men and women working in the industries. Under such a system, an immense bureaucracy is necessary to pry into the private affairs of everyone in an effort to detect any violation of these regulations. Any pretense of safeguarding the liberty of the individual would be a farce.

It will be noted that this program provides for the ownership by the State of the land, the large workshops and industries and the principal means and materials for producing wealth.

In previous lessons we have seen that because no man can make land, because all must use land in order to live and because no one rightfully can have a better opportunity to earn his living than has his fellows, justice demands that our laws and institutions recognize and treat the land as belonging equally to all. However *titles* may be held, land *ownership* must rest in the State. But how is it possible for the State to attain ownership of the large industries and workshops, and to the materials and means of production, which the Socialist would have it own? These things have been produced by the labor of individuals, working singly or in groups (never by society, as such), and they belong to the individuals who made them. There is no possible way by which the State can acquire a just title to any product of labor (except, of course, that sufficient of that part of the citizens' property that constitutes the site value fund must be taken for the necessary costs of government). Even if the State were to purchase these workshops, etc., they could be purchased only with wealth which had been taken from individuals—which would be just as truly theft as though it were not legalized.

Further, since there is no dividing line between the

“principal” materials and means of production, and those not “principal”; no dividing line between the “large” workshops and industries, and those not “large”; and since all movements tend to gather momentum as they progress, the constant tendency would be for the State to continue its encroachments until eventually it would own or control, not only the large workshops and industries, but also the medium sized ones, and then the small ones. Even if this were not included in the original plan it would become necessary, for no government could run a large industry successfully if it could not control the competition offered by the small units within that industry. This is so because small units in private hands would give better service. The control or management of any enterprise by the State tends to become inefficient because the State has no self-interest, and without self-interest the chief incentive to efficiency is lacking. Further, since the State can always make up its deficits by increasing taxation, there is necessity neither for efficient management, nor for keeping prices at the level which free competition would insure.

Trade and industry cannot be controlled effectively unless, at the same time, there is control of the wealth produced in the industries; therefore it would be but a step, a very short step, to the control by the State of all the wealth produced—a government enforced community of goods—the ideal of communism.

Communism is only an extension, an inevitable extension, of socialism—they differ in degree, not in kind. Thus we see that the Communist is more logical than the Socialist. He follows his philosophy through to its logical conclusion.

But, though both Socialists and Communists are

vehement in their denunciation of exploitation of the workers, they, themselves, propose control by the State of the activities and the property of the workers. This is inherently the worst form of exploitation.\* It is a form of slavery even worse than that brought about by exploitation of one individual by another, for there is no method by which such a system can be changed save by revolution.

The chief cause for the spread of communistic and other collectivist proposals is a condition of economic stress without an adequate knowledge of economic principles. No people would willingly choose exploitation by, and slavery to, the State if they knew how to find relief without these.

We have seen that the chief cause of this economic stress is the privilege granted to some of privately appropriating rent; but they who suffer do not know this. They do not know why they are in their present plight. They vaguely feel that in some way, by some one, they are being injured. In democratic countries, at least, they expected liberty and security, but find they have only the shadow of these, not the substance. They know that enough easily could be produced for all, yet they suffer want in the midst of plenty. And because they know nothing of economic principles, nothing of the relation between cause and effect, nothing of the vital difference between capitalists as a class and land-owners as a class, they fall an easy prey to the theory that their condition is due to the profits made by their employers and other capitalists, and that they would have security at least, if goods were produced "for use and not for profit."

\*To exploit: to take for one's own use and advantage without regard for right or justice.

This is a specious program, for soon or later, if adopted and continued, it can but lead to disaster—to starvation and not to security. It degrades men by bestowing on them what the government has gotten by the injustice of theft (however obscure this fact may be), leading them to believe that this is a proper means of securing what they would like to have. Such a program would make individual liberty an impossibility.

As for “profits,” in order to know whether, in any given case, they are just or unjust, it is necessary to understand clearly what profits are. We have seen (page 22) that profits consist of rent, wages, or interest, or of some combination of any two or all three of these. Often they are wholly wages, and in these cases, to abolish profits means to prevent a man from getting what he has earned and what belongs to him.

The only method by which profits can be abolished is by preventing people from buying and selling as they may like to buy and sell. This is what collectivists propose: that free markets be abolished and a “planned economy” substituted in which the State shall decide what and how much of each item shall be produced; the product to be distributed without regard to how much the recipient may have produced. As one writer expresses it: “The object shall be to distribute goods, not to reward people in accordance with what they produce.”

In the effort to apply such a plan, consumption also would need to be controlled. If one gets a brown coat when one wants a grey one, or a pair of white shoes instead of black, these things must be used anyway—the plan demands it. But humans do not adapt themselves readily to being blueprinted. That which every-



one strives for, from the moment he is born until he dies, is the satisfaction of his desires. In a planned economy, production and distribution are based on what the planners decide the people should have, not on what people want. Even if an attempt were made to satisfy people's desires, the plan could be based only on past desires. Human desires, however, are not static: as soon as one is satisfied another develops; and it must be so, if there is to be growth and progression. To pattern our future lives upon the past is retrogression. To be forced to accept and use things we do not want is, to that extent, slavery.

No "planned economy," no program of "production for use and not for profit" can satisfy the desires of the people; therefore to make such a plan work two policies must be adopted:

1—There must be intensive propaganda to make the people want, or at least willing to accept, what the planners have decreed; because if the great majority rebelled, even force could not keep the plan in operation for very long. To label them "five year plans," etc., is only a bit of propaganda to make them more palatable. People may agree to accept misery for five years or some other given period, with the hope of a permanent betterment in their condition at the end of that period, when they would not accept it with the expectation that it would continue indefinitely;

2—The other thing necessary to a planned economy is "purging." Force must be used against those who will not comply with, or who criticize the plan, because such opposition would quickly crystallize the dissatisfaction felt by others. This force may take the form of driving opponents out of the country; of ruining their

businesses so that they starve; of crowding them into concentration camps to break their spirit; or even of murder (under the euphonious label of "liquidation").

There cannot be much of a planned economy under a democratic form of government; for people, knowingly, will not vote to use force against themselves. Democracy means opportunity to express one's convictions at the ballot box, and the control, by the people, of their government. Therefore, before a planned economy can be put into full operation, democracy must be destroyed and the power of the people to govern themselves abolished. A dictator must be substituted for a democratic form of government, and an army must be employed to enforce the State's decrees; for production must go on, even if under protest, else the people will perish.

But if men cannot produce what they want and keep what they produce, there is no incentive to produce. Production declines in spite of the application of force. Then the State must choose among (1) decreasing the ration of goods to its people, thus further increasing dissatisfaction; (2) continuing the existing ration at the expense of the capital structure, which of course can be done for but a short time; (3) getting increased wealth for distribution from some source other than production. If there be any class within the country which still has any wealth, that wealth can be appropriated; but when this mine is exhausted, to prevent a revolution, the nation then must get wealth from sources outside its borders, if possible. Thus a planned economy leads to war; in a country rich in natural resources not so quickly as in a country with fewer resources, but war is certain to come.

To put into operation a "planned economy" (the pro-

gram of collectivism) requires the use of force; first, within a country itself, and later outside its borders. All such plans require and are based on the subjugation of the people to the State.

Is there anything in this picture even remotely resembling what is proposed by the "Single Taxer"? No. To the contrary, what he proposes might properly be called a "plan" for the liberation of the people.

It is common to condemn a dictator and to blame him for what takes place in his country. While it is true that it requires a dictator to enforce a planned economy with all of its injustices, nevertheless, it is not the dictator, himself, who is responsible. However virtuous might be the dictator in power at any given time, only disaster can come from a system under which it is attempted to force men's lives into a mold in conformity with the will of planners. Give a man freedom, and he can soar to the heights, enslave him and he becomes a clod. Collectivist forms of government are disastrous to the progress of civilization. Bad as are their effects on man's material condition, these are but trivial in comparison with what they do to his spirit.

Between the Anarchist at the one extreme, who would leave us free of all regulation by the State, and the Communist at the other extreme, who would have the State control our activities and the wealth we produce, stands everyone who is not an Anarchist or a Communist, including the "Single Taxer," who is just as staunch a believer in safeguarding the liberty of the individual as any Anarchist possibly could be.

Of course, as to liberty in its non-political sense, full liberty cannot be. For instance, two people cannot stand on the same spot at the same time; or, if a man is to live

peaceably with others, he must stop the swing of his arm before it strikes another's face. But if men cannot be wholly free they must learn that each need give up only so much of his liberty as every other individual gives up. But, turning again to political or social freedom, equal freedom for all is impossible so long as special privileges of any kind are granted which give to some the power to do anything at the expense of others, or which give to some powers of any kind which are denied to others. The greatest of all special privileges is that of owning land and appropriating its rent. When we shall have abolished special privileges, we shall have established equal freedom and equal opportunity for all.

Instead of having no regulation by the State as suggested by the Anarchists, and instead of having the State smother the individual with regulations as proposed by the Communists, the "Single Taxer," in order to insure equal opportunity for all and to establish justice among men, would have the State limit itself to the performance of two functions and two only, leaving all others to be performed by individuals. These two activities, the only proper functions of the State, are:

1—While itself refraining from infringing on the person or property of any of its citizens, it also should prevent such infringement by any citizen upon any other; and

2—It should so administer land tenures as to keep economic opportunities equally open to all—which can be accomplished only by collecting all site values and disbursing them in the interest of all.

Fundamentally No. 2 is included in No. 1, but No. 1, stated alone, might seem to imply that the only proper

function of government is the exercise of its police power, while, really, No. 2 is of greater importance; for, if land tenures were properly administered, there probably would be little need for the exercise of the police power.

Government cannot do less than these two things without permitting some individuals to infringe upon the person, property or opportunity of others; on the other hand, if the State does more than these two things, then the government itself is guilty of infringement. Jefferson recognized this when, in his first inaugural address, he said:

"Restrain men from injuring each other, but leave them otherwise free to follow their own pursuits of industry and employment."

If the government properly performed these two simple functions, a condition would not arise in society which seemed to call for the activity of government in many fields which are really none of its concern.

Some day mankind will realize that political liberty, without economic liberty, is of little benefit. Men will accept slavery, if they must, rather than go hungry; but the greatest human struggle throughout the ages has been the struggle for liberty. Men will accept less than freedom if they do not see how this can be avoided, but mankind will never be *content* with anything less than the greatest possible degree of individual freedom; therefore we can be certain that the struggle will go on until this is attained.

Liberty cannot be realized until that which prevents its realization is understood and removed. Any government, then, if it would endure, must put an end to

private property in land. At the same time it must scrupulously protect the producer in his ownership of what he produces. Since governments do wish to endure, we can be sure that soon or later private property in land will be abolished. The change may be delayed, or some upheaval in society may bring it suddenly; but come it must, and he who has the opportunity to hasten it is indeed fortunate.

As Henry George has said, "It may be a long, long struggle, but to see the truth and to do what one can to spread it, brings its own rich and independent reward."

#### QUESTIONS FOR DISCUSSION

- 1—What would be the effect on production, consumption and employment, of a government regulation fixing the price of an article lower than a free market would fix it?
- 2—What would be the effect on production, consumption and employment, of a government regulation fixing the price of an article higher than a free market would fix it?
- 3—Are "free markets" important to society? Why do they develop?
- 4—Is a "free market" (one which develops naturally) more, or less, efficient than a "planned market" would be? Why?
- 5—Would making land common property violate the sanctity of property rights? If so, why? If not, why not?
- 6—Does one's title to wealth rest on a stronger foundation than his title to land? Why? Does the State's title to land rest on a sound foundation? Can the State's title to wealth have a sound foundation? Why?

- 7—What is a dictatorship? What is a democracy? Which requires violence to change? Why? Which can be changed without violence? Why?
- 8—Can a collectivist form of government ever lead to individual freedom? If so, how and why? If not, why not?
- 9—What is the difference between an equal distribution of wealth and an equitable distribution of wealth? Is either just? If so, which, and why?
- 10—What is the chief cause of an inequitable distribution of wealth? How does this cause operate?
- 11—Why can the functions of government be no more than two without interfering with individual liberty?
- 12—In a democracy can the people vote themselves into a condition of economic slavery? Is there any reason to accept as true the charge that this has been done, or is being done in America?