

FREEDOM RESTS ON PRIVATE PROPERTY

W. M. CURTISS

THE QUESTION of "what is mine and what is thine" is one of tremendous importance throughout the world today. It has always been a basic issue, but with all our material progress — our vaunted educational advantages — and our world-wide communication of ideas, it seems safe to say there has never been more confusion over this relatively simple concept. The way in which we answer this question will surely shape the events which lie ahead.

A libertarian believes in the private ownership of property, in the supreme importance and dignity of individuals, and in the right of a person to the fruits of his own labor. He believes an individual should have the right to make choices — conceding that many of us will make unwise choices, at least in the sight of others.

Underlying such libertarian concepts are various foundation stones. First, and perhaps most important, is a belief in an ordered

universe. Call it Natural Law if you will, or God, or the Supernatural. But by whatever name you choose, I believe there are certain laws of cause and consequence which you and I are powerless to change. We may violate them — break them — but they cannot be changed. We see this very clearly in the physical sciences — the law of gravity, the principles of aerodynamics, and many many others. But in the area of human relations the laws are not nearly so clear. The fact that these Natural Laws are not entirely revealed to us, however, does not prove that there are no such laws.

So, the idea of an ordered, moral universe suggests a timeless right and wrong; causes have consequences just as surely as night follows day; and we cannot change these principles. These are eternal truths and they exist whether or not we have discovered them.

In contrast to this view is the growing belief that people can de-

Dr. Curtiss, formerly Professor of Marketing at Cornell University, has been a member of the staff of the Foundation for Economic Education since 1946.

cide right and wrong by majority vote. This assumes a completely capricious universe wherein an action is judged right or wrong by popular opinion and by how well it seems to work at the moment; there are no eternal truths — no laws that cannot be changed by man.

This, of course, gets into a philosophical area difficult to document statistically. Some call it the area of faith — this belief in Natural Law or God. But how can one view the wonders of the universe — and of man — without some such faith in an ordered, moral force back of it all?

Tied closely to this first assumption — and perhaps a part of it — is the question: What is the nature of man? Why are we here? The great minds of the ages have directed their attention to this question and it probably will be pondered as long as man is here. But for the moment, let us assume that man's primary purpose is to develop, to the fullest extent he can in his lifetime, those creative potentials with which he is endowed.

The Right to Life

From these two basic assumptions — that this is an ordered, moral universe and that man's purpose is to develop his creative potentials in harmony with these laws — we can derive certain rights

of man that seem to spring from them.

First, and perhaps foremost, of these rights, is the right to life itself. There seems to be a natural right to life, in harmony with Natural Law. In speaking of this as a "right," I do not mean to imply that life, as we observe it, cannot be taken from one; a man can be deprived of life, and this has happened. Nor would I agree with those who think that the right to life means that society owes them a living. That seems to me to be a perversion of the individualistic concept of man.

If one has the right to life, then it follows that one has the right to sustain his life with his own time and means, so long as he does not infringe on the same right of others.

If one has the right to sustain his life, then he has the right to whatever he is able to produce with his own time and means. It follows that he has the right to consume it, or keep it, and thus arises the right of private property.

If one has the right to own property, then he has the right to exchange it, sell it, or give it away on any terms acceptable to the recipient.

If we accept these basic human rights as being in harmony with the Natural Laws of an ordered universe, then we can begin to

build thereon certain codes of human conduct. Interestingly enough, we find running all through the many centuries of recorded history a code of human rights resembling to a considerable extent Christianity's Golden Rule and the Ten Commandments. The various versions differ in their wording, but the ideas are there. It seems no accident to me that these codes have been formulated by peoples at widely different times and in different places. I am willing to accept them as at least an approach to an understanding of Nature's moral laws. Truth is something man probably always shall pursue, and he may catch a glimmer of it here and there.

The Practical Application

So far, all of this may seem hypothetical. It's the stuff philosophers feed on, but has it really any practical value? I think so, and will try to show why such a concept as the right of private property has practical application. I submit that the entire structure of our advanced economy rests on the foundation stone of private ownership of property. When we lose sight of that, the structure is in danger of collapsing. Though the arguments may sound a bit materialistic, bear in mind that they rest on moral grounds.

The key to our material progress

has been exchange—producers trading with one another, or the trading of labor for money and money for things or for services. In the primitive economy, such as prevailed as recently as 150 years ago in this country, most people were farmers. Nine out of ten families lived on farms and were essentially self-sufficient. They provided their own food, their own clothing, their own shelter; and there was little else. There was little exchange and the level of living was very low by our standards today. Capital and tools were scarce, and all able-bodied members of the family worked from dawn to dark just to provide the bare necessities of life.

Contrast this primitive economy with what we find today. We are fabulously wealthy by comparison. Even low-income persons today have things which heads of state never dreamed of having in the past—things such as better health and medical care, education, television and radio, transportation by air and auto, super highways, modern housing, and all the rest. The availability of these things may be traced to the accumulation of capital for the tools of production, which enormously multiply man's creative capacity, and to a highly efficient though complex system of exchange.

The capitalistic system of pro-

duction and exchange rests upon a few simple, but important, basic principles of economics:

1. Scarcity of Economic Goods

All things of an economic nature are scarce and wanted. If a thing is not scarce, like the air we breathe, then it is not of economic concern. But the things we talk about in economics are scarce. These include food, clothing, housing, highways, automobiles, medical service, the services of teachers and ministers, and a long list of other goods and services.

The fact that all these goods and services are scarce and wanted by persons means that somehow a way must be discovered to decide who gets what. Many attempts have been made through the course of history to solve this problem. For example, one method is for the strong simply to take what they can from the weak. Another way is for government — the State — to expropriate all production and dole it out to the citizens according to some plan. This is the plan advocated by the Marxists — “from each according to his ability and to each according to his need” — the rulers, of course, deciding on needs.

Remember wartime rationing of meat? The price was arbitrarily set by government below what people were willing to pay, and the

result was a so-called shortage of meat. So a system of rationing, by means of tickets, was used to determine who got what.

There is a better system of deciding who gets what, one that we used for many decades, and it worked beautifully. More about that later. The point here is that all economic goods and services are scarce and must be rationed in some way. Who gets what is very important.

2. The Principle of Least Effort

Another important economic principle is that we all seek the greatest amount of satisfaction in life with the least amount of sweat. Economists say we tend to maximize our satisfactions with the least possible effort. On first thought, this may seem like downright laziness and not a very worthy trait. But further reflection will reveal that it is a highly worthwhile device — the very essence of conservation — the foundation of our exchange system. Here's the way it worked in a primitive economy: One man was highly skilled in catching fish. Another was skilled in growing vegetables. The vegetable grower found that he could trade some of his products for fish and have a greater total than if he had to stop his gardening and catch his own fish. Both gained by the ex-

change, less effort being required than if each had tried to be self-sufficient. So they traded to their mutual benefit.

It is no different today. What is the easiest way to get an automobile? For most of us, the answer is to get a job, save part of our wages, and buy one. That is doing things the easy way. Call it laziness if you will, but it gets results.

Now, if this "least effort" principle is followed indiscriminately, it leads to trouble. Some people discover that the easiest way to get something is to steal it. But that system soon breaks down for a society generally. Besides, it violates our ideas of moral law and the rights of private ownership of property.

It is only a slight variation of simple theft for people to join together and, by majority vote, take property from those who have it and give it to those who have it not. When doing things the easy way is carried to this extreme, it has serious consequences as we shall see.

It must be recognized, of course, that wants and satisfactions vary tremendously from person to person. One person may find his greatest satisfaction in leisure; another finds his gratification in truly charitable activity; a third prefers above all else living in a beautiful home; and still another gains

greatest satisfaction from a large family of children. The variety is endless, simply because of the individuality of human beings. Any centrally planned scheme for dividing the world's production involves a forced conformity to one pattern of wants and satisfactions and is certain to miss the mark by a wide margin in the case of practically everyone. The more man has, the more he wants, and the more important it becomes that the satisfactions be left to the choice of the individual.

3. Specialization and Productivity

A third economic principle important to an exchange economy is that specialization increases productivity. Persons possess a tremendous variety of talents and abilities. Some make good doctors, others are fine lawyers, respected teachers, skilled mechanics, master farmers, and so on and on. By exchanging with one another the abundance of production that results from the application of these highly specialized skills, each is enabled to gain a maximum of the satisfactions he seeks.

The facts that economic goods are scarce and must be allocated by some method, that people try to maximize their satisfactions with the least effort, and that specialization leads to high productivity — all point to free exchange as the

most nearly perfect system by which individuals may fulfill their mission in life, developing their own creative potentialities to the greatest possible extent.

The Importance of Private Ownership

This system works satisfactorily only when it rests firmly on the foundation of private ownership of property. What is mine is mine and what is thine is thine. Otherwise, how could there be voluntary exchange? I would hold that this is in harmony with Natural Law and the moral laws of the universe.

The right to private property simply means that a man has the right to what he has honestly acquired, either by production or exchange. He has a right to what he produces. He must be free to use it if he so desires, to exchange it with anyone anywhere on any terms agreeable to both parties, to keep it if he wishes for future use, or to give it away. A man's labor is his property. He must be free to work for himself, or for another person on whatever terms they agree to, free to donate his efforts to any voluntary cause or simply to remain idle if he chooses.

But every day, on all sides, we see violation of the rights of private property. We still have rent control in New York State. This means that the owner of a property is prevented by law from renting

it to a person of his choice at a price agreeable to both parties. The evils of rent control are especially vivid in European countries where such controls have been in effect since World War I.

In England, a man may think he owns a farm, but unless he farms it in a manner acceptable to the government, it may be taken away from him. Ownership without control is not ownership at all. In this country a farmer may grow wheat for his chickens, but if his acreage exceeds the government quota, he is penalized.

Isn't it a violation of property rights to forcibly take money from the citizens of one community and give it to other citizens in the form of subsidized rates for electricity? That is exactly what is done through TVA and other river valley authorities.

Aren't property rights violated when a citizen of one country is willing to exchange his product with a citizen of another but is prevented from doing it by government exchange controls or by quotas?

Isn't it a violation of property rights to compel a railroad to hire firemen for diesel locomotives or other workers it considers not essential?

Isn't it an immoral act and a violation of property rights for a government to seize half the value of

pension funds individuals have set aside for their old age? We have seen it happen right before our eyes, through inflation.

A moment's reflection will reveal many other invasions of the individual's right to his own property. Anytime a new proposal comes along, just make this test: Does it forcibly take property from some persons for the alleged benefit of others?

Suppose 51 per cent of the people, by majority vote or through their representatives, say that it is perfectly proper to do these things. Does that make it right? Can right and wrong be determined by majority vote? Are you willing to be guided in your religious views by the test of majority vote? Shall the majority decide whom you shall marry? Or where you can travel? No, there are still some things men will not have decided for them by the majority. But where is the line to be drawn? Majority vote has its place, of course. I see no better way of electing the officers or a board of directors of a corporation, or church officers, or the officials of a state. But there are many questions which should never be put to this test. Among them is the question of what you do with your private property, so long as you do not infringe on the rights of others.

Now, of what practical signifi-

cance are these concepts? Let's be quite pragmatic. An economy based on private rights in property, with a free exchange system, can produce fabulous results. We have seen what it has done in this country in 150 years. There are simply no limits to what it can do. And even more important than the material wealth which this kind of freedom can produce is the kind of people it develops. Is there another system that enables — yes, encourages — an individual to develop his own creative potentials to the fullest?

But interfere enough in the market place — deny these rights to private property — and the system will surely come to a slow grinding halt. Remove the incentives to produce and exchange, and in place of a flowering economy we will see a muddled mess of bureaucracy, loafers, people looking for something for nothing, and an entirely dejected, unmotivated, unhappy, and immoral mass of humanity.

Self-Development

Man's purpose on earth is to develop himself as well as he can in harmony with an ordered universe regulated by Natural Law. This is at once his right to life and his obligation to live long and wisely. To sustain life, he must have a right to own what he has honestly come by — private ownership of

property. He must be free to own it, to use it, to exchange it, to sell it, or to give it away on any terms agreeable to those involved. No third party, whether a person or combination of persons, has a right to intercede in the production and exchange process. Ownership of property is an empty, meaningless term if the owner is not allowed to control the property.

Interference with private ownership, whether it be in the market place or elsewhere, violates moral law. It doesn't change moral law. It doesn't change right and wrong, but only violates the laws; and the penalties will be levied just as surely as they are when any of Nature's laws are violated.

The Truth Will Stand

The chief dangers to our economy do not lie in Moscow or behind the iron curtain or in some far away place. They are right here — all around us — now. The solution to this problem will not be found by electing the right president or congressman, or city councilman, or member of the local school board. It is not that easy. The answer, as I see it, is in understanding, by business leaders, teachers, clergymen, writers of

books, magazines, and newspapers — opinion molders — thought leaders. It is a long, tough educational job, and I see no short cuts to getting it done.

We haven't developed our present philosophy in this country overnight, and it will not be changed overnight. At least a generation has grown up in the belief that government can and should give something for nothing. If your village needs a new sewerage system, ask your congressman for a handout from the Federal Treasury — and it won't cost anyone anything! So long as such ideas prevail, we have the mechanism all set for continually expanding the invasion of the rights to private property.

I could become quite pessimistic about our situation if I had no faith in an ordered universe that responds to Natural Law. Along with this faith in an ordered universe goes a faith that free men will act wisely. I am convinced that truth will prevail however much we disregard it at the moment. As Jefferson explained:

“It is error alone which needs the support of government. Truth can stand by itself.” • • •

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