

Natural Law in the Economic World

ADDRESS OF OSCAR H. GEIGER

NATURAL Law is the uniform occurrence of Natural phenomena in the same way under the same conditions.

The Law of Attraction of Gravitation is a Natural Law. We know that because it acts the same at all times under the same conditions.

We know now why apples fall to the ground, but apples fell to the ground for a million years and one of them had to hit Sir Isaac Newton on the head for us to find out why they fall.

The Law of Attraction of Gravitation does not merely control the falling of apples to the ground. It applies primarily to the heavenly bodies, and as stated in text-books reads, "Heavenly bodies attract each other directly as their masses, and inversely as the squares of their distances."

That sounds formidable, and it is. All Natural Laws are formidable; perhaps that is why they are so little understood.

Not to understand Natural Law, however, is not to understand Nature, for only through Natural Law can Nature be understood. This is generally recognized in Astronomy, Physics, Chemistry and Biology, but it is very little, if at all, known in the Social Sciences, and this is rather unfortunate for the Social Sciences, as Natural Law operates equally in this field as it does in all fields of being and living. Whether it is apples falling to the ground or mankind living on the ground, Natural Law operates to govern both phenomena.

As men gather and settle on some spot on earth in response to their gregarious instinct to live together and to produce the things they need, two values appear, each separate and distinct, one attaching itself to the things that men produce, and one to the land on which they live and work.

The value that attaches itself to the things that men produce is an objective value; it is strictly a labor, or man value, and is a value that man can control. It is high or low in the measure that the product is scarce or plentiful in relation to the demand for it. If high, greater production is encouraged; if low, production can be curtailed. This value is governed by the Natural Law of Supply and Demand.

The value that attaches itself to the land on which men live and produce is not in the control of the individual; it is entirely subjective. The individual in his production of wealth has no thought of this value, and could not control it if he had. It is a value that arises out of the fact of his mere being and producing in company with other individuals.

No individual effort can raise or lower this value. It

depends solely and entirely on the presence and activity of the community, and embodies both the expression of man's need for land and the service that society renders to the individual. This value rises and falls only with the movement and productivity of population. It is high in thickly settled and industrious communities, and low where population is sparse and production poor. This value is a social or community value; it is governed by the Law of Rent.

These two values, Product Value and Land Value, appear everywhere that men live and produce wealth; they rise or fall everywhere the same under the same conditions; they are Natural phenomena; and they in every way meet the requirements of Natural Law—the Law of Supply and Demand in the case of Product Value, and the Law of Rent in the case of Land Value. Are these Laws then not Natural Laws? If they are not, then neither is the Law of Attraction of Gravitation a Natural Law. If they are Natural Laws, they cannot be disregarded without meeting the consequences.

If we assume that men are freemen and have an equal right to life and liberty, then, out of the fact that Product Value is Labor Value or Man Value, it follows that men have the right to keep and enjoy the results of their individual toil or effort, and to freely exchange or sell or bequeath their product, and that they cannot, except by the violation of Natural Law, be deprived of it.

Society is an entity, as is evidenced by the fact that a value arises out of its existence, and also by the fact that it has needs and wants, and must raise money to defray expenditures, and by the further fact that it creates a fund which fully equals all its legitimate requirements.

Society an entity having needs, and creating by its very existence a fund that amply provides for those needs! Who but a Professor of Economics would fail to recognize the working of a Natural Law? It is a violation of Natural Law to deprive the individual of *his* product—Wealth. It is equally a violation of Natural Law to deprive society of *its* product—Rent. The violation of Natural Law does not remain unpunished.

Whether the Darwinian Theory, or the Biblical Story of Creation is correct, man must live by the sweat of his brow, he must render service, he must till the soil, reap the fruits, dig in the mines, and build on the earth. It is on the Earth that he has his being, and out of the Earth that he gets his living. Again, assuming that men are freemen with equal rights to life, it follows that they have equal rights of access to the Earth.

Of all the Laws in the field of Social Science, the most fundamental and far reaching (and perhaps, therefore, the least understood in the science of Political Economy) is the Law of Equality: the Law, that being of like kind, like origin, like needs, and like means to supply those needs, men are equal, and have equal rights to supply those needs out of the only source from which those needs can be sup-

plied, the Earth. And the most flagrant and vicious violation of Natural Law is the private appropriation of land which denies man free access to the Earth, and enables its proprietors, or appropriators, to dictate the terms under which the landless may remain and produce on the Earth which the Lord, their God, giveth them!

The appropriation of the land by the few diverts into the pockets of the owners of land the Rent which is the product of the community, and which is intended by Nature to defray communal expenses, and this appropriation of Community Value by individuals results in the appropriation of Individual Values by the community by way of Tariffs, Assessments, Tolls and Taxes, and thus begins the vicious circle of the Violation of Natural Law, which has brought all misery to mankind.

If there is any one principle more important than any other principle in the economic affairs of men, it is that the Earth is the birthright of all mankind, and that all have an equal right to its use; and if there is any one violation of Natural Law that is more devastating in its consequences than the violation of any other Natural Law, it is the private ownership of land.

And what are the consequences? Poverty is universal and persistent, crime and vice are on the increase, wars are more deadly than ever, nations crumble and fall and civilizations die. Almost all ancient civilizations have died. Babylon, Egypt, Greece and Rome are no more. Greece, where philosophy was born, where man is said to have reached his highest culture, is gone, and so is Rome, where imperial power reached its greatest consummation.

The life of civilization is about 1000 years. No civilization has lived more than 1100 years, and if our wise men of today are correct, this civilization, perhaps the youngest of them all, has not much longer to live.

Civilization is but a social composite of mankind at any given period and place, and is endowed only with such potentialities as are imparted to it by the minds and deeds and conditions of men.

As history dawns, we find mankind divided into two great classes, those who have and who rule, on the one hand, and those who serve and who have not, on the other hand. We find the land already appropriated, and those who own it the supporters of the Kings and the Priesthood, while the mass of mankind is landless and living in comparative slavery and serfdom.

We have since then changed our terminology; for Kings and Emperors we have Presidents and Constitutional Monarchs; Despotisms we call Democracies; and Slaves and Serfs are our Labor, or Laboring Classes; also to the the Priesthood we have added the Press and the Universities to administer the opiates of sacred institutionalism to the people. But those who build our modern industrial Pyramids and Palaces still live in hovels, and those who produce all the world's wealth still have the least of this world's goods. And this condition is daily becoming

intensified, for wealth inevitably tends to beget more wealth, and power to increase power, while poverty tends only to ignorance, vice, crime, disease and general impotence.

What an astounding phenomenon, that producers of wealth are everywhere poor, and continually becoming poorer, while non-producers are continually becoming richer!

The social structure, at whatever time or place, rests on its producing class, as a pyramid rests on its base. Given a base that is weak and continually becoming weaker, it does not require higher mathematics to envisage the downfall of that pyramid. History records no time when the producers, the mass of mankind, were left unmolested in the possession of their products, and history may be read as a chronicle of war and crime and devastation.

Henry George saw poverty and misery amidst increasing wealth and progress, and it would not let him rest. He knew that this is a dynamic, not a static world; that it is a world of law; that events are not left to mere chance and accident, but that everything in the universe, whether the immensely large, as viewed through the telescope, or the immensely small, as viewed through the microscope, is governed by law—intelligent, purposeful law; and being a man of infinite faith, he knew that poverty and its concomitants must be the result of the *violation* of Natural Law.

He found, that just as the motions of the heavenly spheres, and the appearance and reproduction of vegetation and life on earth, are controlled by Natural Law, just so are the acts of men, whether as individuals, or as society, controlled by Natural Law; and he further found that non-conformance to Natural Law in the field of Social Science, just as disregard of Natural Law in the field of the Physical Sciences, leads eventually to death and destruction.

We in this civilization no longer ascribe bodily ailments to the visitations of evil spirits, and no longer attempt to effect cures by the casting out of devils. We may not be much further advanced in our systems of healing, but it is generally admitted among good medical authorities that permanent cure depends on knowing the cause of the ailment, and that the cause is nearly always found to be the disregard or violation of Natural Law.

Just as individual ailments are the symptoms of the violation of those Natural Laws that govern the life and well being of the individual, just so are poverty, ignorance, crime, vice, disease, business depressions, hard times, war, the breaking down of nations, and the death of civilizations, merely the symptoms of social disease, warning us of the violation of those Natural Laws that govern the life and well being of society.

Henry George was not the first to see that there was a relationship between the poverty of mankind and the private ownership of land by the few. It was seen in

biblical times, it was seen by the early Christian Fathers, it was seen by the Physiocrats, and it was seen by others. But it remained for Henry George to show that the private ownership of land, which denied men access to the earth upon which they must live and from which they must satisfy all their needs and wants, is the primal cause, not merely of poverty and all the misery and wrong that follow in the wake of poverty, but that it is the cause of all evil on earth, and all injustice among civilized men; and that only by the elimination of the private ownership of land can liberty and justice be achieved, and evil forever abolished. It remained for Henry George to show that, potentially, this is a good world, that men are innately good, not innately bad, that Creation is based on justice, not on vengeance, that the earth is a banquet table, spread by the hand of a benign Creator, and laden with an abundance of all the things for which men have need, and at which every human being has a place.

Freedom, equality and security are man's estate in the intent and scheme of Nature. Freedom of access to land, equality of rights and opportunity, and security in the possession of his entire product are man's birthright and these he will some day attain, even if through his ignorance men first must suffer, nations perish, and civilizations die for it.

But why wait? Why permit the misery and suffering of mankind to go on? If misery and suffering are due to the violation of Natural Law, why continue the violation?

"Render unto Caesar the things that are Caesar's, and to God the things that are God's." Render unto the individual the things that are the individual's, and to society the things that are society's.

Give back to society the one thing that is made by society, and which therefore belongs to society, and leave the individual in possession of the things that he creates, and which therefore are his.

Take the rent of land for communal purposes, and stop the robbery of the community by the landowner. Abolish all tariffs, tolls and taxes, and stop the robbery of the individual by the government.

Observe the Law—the Natural Law—which is the Word of God, and let each take his place at the banquet table God has provided for all.

THE Vienna mob burned the Palace of Justice and then went back to work to earn enough money to pay taxes for a new building.

—*St. Louis Star.*

I REMEMBER as a law student that the first thing I had to learn was that there is no such thing as private property in land,—D. Lloyd George: who now proposes to treat with Landlords as if they were "owners" having "private property in land"!

Commonweal, London, Eng.

Resolutions Adopted by the Henry George Congress

ADDRESS TO THE PRESIDENT OF
THE UNITED STATES

THE Henry George Memorial Congress, assembled in New York City, respectfully submits for your consideration the following facts relative to the pending proposals for amendment of the Federal tax laws:—

All taxes now imposed by the National Government are taxes on industry and thrift. Tariff taxes increase the cost of commodities, restrict trade, and are in effect either a premium on inefficiency, or a bounty to a privileged class.

The income tax is based upon the false principle that taxes should be laid according to earning ability, instead of being imposed so as to constitute payment for government services rendered.

The inheritance tax confiscates the property of individuals for public purposes, without regard to its nature, or the methods by which it was acquired.

The corporation tax is ultimately paid by the consumers of goods, or recipients of services, furnished by the corporations, and is thus an oppressive burden on consumption.

The various internal revenue taxes are all alike in that they are shifted to the purchaser of the goods on which they are imposed.

Instead of patchwork amendments to the existing tax laws, we urge that you recommend to the Congress that it shall undertake a complete revision of the entire tax system, with a view to the adoption of a new tax policy that will promote the welfare of the great mass of the American people.

We urge the abandonment of all taxes upon industry and thrift; and that all public revenues shall be raised by a tax upon the rental value of land.

We submit that the various proposals for farm relief are all essentially unsound, and vicious, in that they involve special subsidies, or favors to one class, and we assert our conviction that the only way in which the great agricultural industry can be made prosperous is through the abolition of all forms of indirect taxation, and the exemption from taxes of all the farmers' improvements on his land, including buildings, stock, and implements.

The greatest problem now confronting American industry and commerce is that of so-called overproduction. In reality it is under-consumption that threatens a return of the industrial depression that only seven years ago closed down thousands of mills and factories, and threw millions of workers out of employment. To prevent a return of these distressing conditions the consuming power of the people must be increased. The only practicable way in which this can be done is through the abolition of all taxes that increase the cost of commodities, and the collection