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THE PREVENTION OF THE FUNDAMENTAL CAUSE OF WAR — DISCONTENT

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BECAUSE of the very brief time (only two days) that I have been able to devote to this address, since I learned, on December 20, that I was expected to make it, I can do no more than to suggest, or outline, what if I had had sufficient time to prepare might have taken more of the form of an argument or demonstration. If I do not succeed in proving my theorem as to the fundamental cause of war it will not be, in my opinion, because the facts, if properly marshaled, would not prove it, but it will be because I have not made a logical presentation of all the facts.

Only those who have given special attention to the subject realize either the extent and depth of the present discontent or the rapidity of its growth during the past 15 or 20 years. Discontent of a virulent type had become practically universal before the present almost world-wide war began. It was manifested in the Balkan war, the rebellions in Mexico and Central and South American countries, in the great and vicious strikes, and the political overturns of the last few years in this and in other countries.

Discontent, distress and disturbances had become well-nigh universal long before civilized Europe became a human slaughter-house. Socialism, progressivism, I.W.W.ism and other forms of radicalism have been in the air for years. Political and religious authority has been growing lax everywhere. Labor is grumbling and dissatisfied and is becoming less and less effective. Even our railroad officials are, or were, until recently, becoming anarchists, threatening to overturn our courts and commissions. They are almost ready for the government to take over their railroads — at fair prices, of course, which they assume are more than present prices.

I am not one who thinks that wars come by chance or accident. In my opinion there are causes, economic and vital causes, for all wars of consequence. These causes are not often in the foreground and are not usually the ones seen and discussed.

If opportunities to produce and exchange goods were open and free; if every producer got all that he should get; if there were no monopolists or takers of unearned increments to divide with; if, in short, no one got more and no one less than his just deserts, there would be no wars. There would then be no need of wars to right, or attempt to right, every 60 or 100 years, the accumulated wrongs of an unjust economic system.

It is because the economic foundations of most so-called civilized governments of today are unsound and rotten that our political structures are breaking down. That is why we have the present great war — a war centered in Europe but reaching to the remotest corners of the earth. It is because there are special privileges and special privilege takers and givers in Europe that

millions of her bravest and best men are now killing each other. The share of the "grafters" — the land, tariff, patent and other special privilege grafters — became so large that production could no longer be profitably continued. The producers were in rebellion. They were voting for socialism and for other isms inimical to the ruling powers in the monopoly and military-ridden countries of Europe. Rents, debts and taxes became unbearably high; that is why, in my opinion, there is now, in Europe, the greatest and most hellish war of all time.

The crowned heads of Europe, and particularly of Germany and Austria, saw economic and political disaster ahead. Their only hope of continuing in power lay through warfare and the capturing of surrounding territory on which tribute could be levied. In no other way could wholesale repudiation of debts be much longer avoided.

Discontent, widespread political discontent, and anarchy, are the forerunners of strife and wars, just as surely as happiness and contentment are the harbingers of peace and good-will.

Political discontent is the result of political or economic injustice. This injustice results from special privileges. If, then, we abolish privilege and establish political and economic justice, so that every man will have full political rights and will get and have no more and no less than his fair share of all that is produced, we shall have removed the cause of discontent and, therefore, as I believe, that condition of society that makes wars not only possible but probable.

As chimerical and Utopian as this proposition may sound, it is, in my opinion, not only eminently sound and practical, but will soon be the working formula for governmental action throughout the civilized world. It is, in fact, already dimly recognized by numerous of our most advanced governmental groups, such as those of New Zealand, Switzerland, Oregon and western Canada, and its principles are making some headway in the United States and Great Britain, and even in China, Japan and Mexico. The "New Freedom" of Woodrow Wilson means, and can mean nothing else than, the abolition of privileges and the establishment of political and economic justice. Gradually and not very slowly are our governments getting away from the feudal, hereditary class, and war-like theory of society and are being reorganized on the theory of equality, freedom and peace. This process may be expedited as a result of the present European cataclysm.

The Two Kinds Of Special Privilege

There are two distinct kinds of special privilege — political and economic. The first relates to franchise rights and the second to property rights. When one man has a greater voting power than another, he has a political privilege. When one has greater property rights than another, he has a property privilege. Both forms of privilege are conferred by, and can, therefore, be abolished by governments.

Some of the worst forms of privilege were abolished by the Revolution in England, in 1688, by the Revolution in France, in 1789, by the Revolution in America, in 1776, and by the Civil War in the United States, in 1861. The present revolutions in China and Mexico will almost certainly abolish some political and some economic privileges. The establishment of woman suffrage in

some countries and states is abolishing one form of political privilege.

All political privilege will be abolished only when there is perfect equality of voting and legislative rights. To get these, we must have popular and democratic government, with one vote for each citizen of whatever race or of either sex. If we have a so-called representative government, it must be kept representative by the initiative, referendum and recall. The reins must always be in the hands of the people. The majority must always rule. There must be no hereditary rights and no constitution that can not be overturned, at the will of the living majority. Anything short of this is not full political equality and is inconsistent with the New Freedom.

There are two principal forms of economic privileges: (1) Restrictions on productions: (2) Restrictions on exchange of goods. Production is interfered with mainly by monopolies of the source of supply of materials or of the opportunities to produce. These monopolies are conferred by means of title deeds, franchise rights, leases, etc. We can ignore patent rights, for they are but temporary, and, theoretically, are intended to encourage improvements in machinery and thus to increase production, even during the short periods for which they run.

Probably the easiest and simplest way to abolish land and franchise monopolies, and thus to get rid of the privileges pertaining to land, is through government ownership of all franchise or public service corporations or monopolies, and by taking, for public purposes, the full economic rent of land. This can best be done by what we in this country call the Single Tax. The Single Tax simply takes for the public what the public produces — the so-called unearned increment of land — and, by taxing nothing else but land values, leaves to individual producers all that they produce. The single tax, therefore, conserves property rights to the greatest possible extent. It gives, in the most practical way, each citizen, from his birth, his full right to the use of the earth. Thomas Jefferson, Herbert Spencer and many other great statesmen and thinkers, from Moses to Henry George, agree that the earth, in usufruct, should belong to the living, and that the dead should have no control over it.

Exchange of goods is interfered with mainly through import and internal revenue taxes. Of these the import, or tariff taxes are, by far, the more important from a restrictive standpoint. They can be abolished by wiping them from our statute-books, in which case we should have trade as free and natural between countries as it is between our states and cities.

With full and equal political rights and with full and equal rights to produce and exchange goods, every man would get all that he should fairly have and would hold it untouched even by the government. There could then be no undeserved or involuntary poverty and little or no individual class, race or national jealousy, envy or hatred. Each individual and each nation would benefit from all of the others and their mutuality of interests would promote friendship and good-will. No individual, race or nation will then have anything worth while to fight for or about. Under present conditions, there are many things to fight for, even aside from the rights of kings to rule or of nations to expand. It is true, however, that but few wars are waged for the rights of the masses. It is also true that but few wars are begun with the consent of the majority of the people.

It is reasonably safe to say that there can not be peace without justice. Until justice is established, poverty, crime, disease, jealousy, hatred and discontent will continue, and industrial, civil and

foreign wars will be waged without end.

As civilization extends, commerce develops, cities grow, and land values increase, there is more and more need of taxing land values and of untaxing industry and commerce. Not only have municipal, state and national revenue needs increased so that, practically, they can not be met in any other way than by taxing land values, but human progress has, apparently, reached a point beyond which it cannot proceed until special privileges in land and in trade are abolished. From now on, times and things will be more and more out of joint until such changes are made. Even in the matters of health, hygiene and sanitation, we can not make much further progress until we tax land values and untax industry and commerce. This is the conclusion reached by Surgeon-General William C. Gorgas. "Poverty," he says, "is the greatest single cause of bad sanitary conditions."

Some such conclusions as these must be reached by the United States Commission on Industrial Relations, if its reports are to be of great value to us.

Gold Depreciation

It is undoubtedly true that the evils of special privilege have been accentuated and increased, temporarily at least, by the accident of gold depreciation. Gold has been depreciating rapidly for about eighteen years. Since 1896 or 1897, the gold dollar has lost about one third of its exchange or purchasing value. Gold is depreciating in value because its supply is increasing more rapidly than is the supply of other commodities. Its supply is increasing because, under the cyaniding and chlorination processes of production, first inaugurated about 25 years ago, gold is being produced much cheaper than ever before. The yearly output of gold is now four times what it was in 1890, and ten times what it was in 1860.

Gold depreciation accentuates the injustice of the present economic system of production and distribution in many ways; it causes prices to rise much faster than wages and salaries. It causes high interest rates and low prices for bonds and securities with fixed incomes; it causes land values to rise abnormally fast and thus results in giving the landlords of the earth a larger share of the world's goods; it causes wealth to concentrate even more rapidly than it would otherwise do; it makes business a gamble and increases speculation; it causes the cost of operation of railroads and of other public service corporations to advance more rapidly than rates and fares. In these and in many other ways gold depreciation increases unearned and, therefore, decreases earned increments. It is a most powerful revolutionary force in commerce, politics and society, and operates to increase discontent and radicalism.

Knowing of the injustice of our present economic system and seeing how this injustice was accentuated by gold depreciation, which was expected to continue for many years, I, nine years ago, in Moody's Magazine, made some predictions, about all of which have since been substantiated by facts. One of these was that, because of increasing costs of operation, the situation of our railroads would become so desperate that public sentiment would permit rates to be advanced. Another prediction was that the evils of gold depreciation would so disturb industrial and political conditions that overturns, wars, etc., would result.

Never, perhaps, in any previous period of the world's history were so many important, and frequently revolutionary, changes under way as at the present time. In former periods, we have had religious, political, governmental, commercial, financial and industrial changes at different times. Today, that is, during the present decade, we see most important, even if sometimes silent, changes under way in all directions.

The present European cataclysm can not but result in great changes, governmentally and politically, and probably also industrially. Repudiation of debts, both public and private, is not only a possibility but a probability. Many European countries and cities were, by experts, considered to be hopelessly in debt at the beginning of the war. The billions and scores of billions of additional debts will almost necessitate repudiation. There is, in my opinion, only one possible escape from wholesale repudiation of public debt, at least by the losing countries, and that is through the public appropriation of the unearned increment from land. But the taking of land value for public purposes will depreciate land values to almost nothing, and will necessitate the repudiation of the billions of dollars of private and mortgage indebtedness in continental Europe, under the heavy load of which the masses of peasant farmers are now but little better than feudal slaves.

I hope that the Rockefeller Foundation, in its search for the causes of industrial unrest, will not overlook either the land question or the gold-depreciation question. I am certain that it will not do so if it is earnestly seeking to remove the fundamental causes of unrest.

Summarizing, I will say that the present discontent is due, primarily, to great economic wrongs accentuated by gold depreciation — that is, by the high and rising cost of living and of doing business.

To right those wrongs and to bring peace and contentment on earth, we should:

1. Stabilize gold or adopt some other standard of value.
2. Take land values for public purposes.
3. Establish free trade between all countries.
4. Establish public ownership of all public utilities — railroads, street railways, telephones and telegraphs, electric light and gas companies, etc.
5. Liberalize our patent laws so that they will more promptly and fully benefit the masses and no less fully reward inventors.
6. Keep the initiative, referendum and recall in force at all times.

Direct legislation not only safeguards the rights and liberties of the people, but is valuable for its educational features. It practically forces the voters to study public questions. It is as necessary in a republic as are public schools. I am not alone in holding these views as to the fundamental causes of discontent and wars and as to how to remove them. It is true that not many of those

who are now most in evidence in our newspapers and magazines are discussing what I regard as the real causes of wars. For the most part, they are putting the blame for wars on big armaments and military preparedness; on the desire of growing nations to expand, to have colonies, etc.; and on governmentalism or "monarchical governments," as Charles W. Eliot calls it. It is true that some of these writers mention popular government and free trade as possible preventions for wars, but very few of them lay stress on these ideas and still fewer mention or discuss the land monopoly as the greatest of all causes of discontent and, therefore, of wars. Only Free Traders, Single-Taxers and Socialists appear to have any comprehension of the real underlying causes of unrest and wars.

I will quote a few authorities on tariffs as a cause of wars. Jacob H. Schiff, in his discussion with Charles W. Eliot, printed in the *New York Times* of December 20, said:

The perpetual cessation of all war between the civilized nations of the world can, as I see it, only be brought about in two ways, both Utopian and likely impracticable for many years to come. War could be made only to cease entirely if all the nations of Europe could be organized into a United States of Europe and if free trade were established throughout the world. In the first instance, the extreme nationalism which has become so rampant during the past 50 years and which has been more or less at the bottom of every war, would then cease to exist and prevail, and in the second event, namely, if free trade became established throughout the world, the necessity for territorial expansion and aggression would no longer be needed, for, with the entire world open on equal terms to the commerce and industry of every nation, territorial possession would not be much of a consideration to any person or peoples."

David A. Wells, in *Free Trade*, said:

A powerful argument in favor of free trade between nations is, that of all agencies it is the one most conducive to the maintenance of international peace and to the prevention of wars. The restriction of commercial intercourse among nations tends to make men strangers to each other, and prevents the formation of that union of material interests which creates and encourages in men a disposition to adjust their differences by peaceful methods rather than by physical force. On the other hand, it requires no argument to prove that free trade in its fullest development tends to make men friends rather than strangers for the more they exchange commodities and services the more they become acquainted with and assimilated to each other; whereby a feeling of interdependence and mutuality of interest springs up, which, it may be safely assumed, does more to maintain amicable relations between them than all the ships of war that ever were built or all the armies that ever were organized.

Richard Cobden said:

I see in the Free Trade principle that which shall set on the moral world as the principle of gravitation in the universe — drawing men together, thrusting aside the antagonism of race, and creed, and language, and uniting us in the bonds of eternal peace. ... I believe that the desire and the motive for large and mighty empires; for gigantic armies and great navies — for those materials which are used for the destruction of life and the desolation of the rewards of labor — will die away; I believe that such things will cease to be necessary or to be used, when man becomes one family, and freely exchanges the fruits of his labor with his brother man.

Henry Ward Beecher said, in 1883:

The fundamental doctrine of Christianity is that all men are brethren. The fundamental doctrine of protectionism is that all men are not brethren. Christianity teaches that all men, in all parts of the world, should love each other. Protectionism teaches that all men on one side of an imaginary line should hate, or at least disregard, all who live on the other side of that line. Not only so, but protectionism teaches Christians to hate their fellow Christians more than they do pagans. We do not build up our tariff against heathen countries. . . . The moment the missionaries have, with infinite pains, taught the converted pagan to make anything fit to send to this market, we hasten to build up a high tariff wall to keep it out.

J. Novicoro, a great Russian writer, said, in 1903:

Freedom in the exchange of commodities alone can safeguard the interests of the nations. Since they are all interested in the inauguration of the same commercial policy, their solidarity is manifest and their supposed antagonism, in this particular matter of trade, is a delusion proceeding from the misapprehension of the real play of the economic forces involved.

Lord Kromer, Sir Lyon Playfair, Professor John Bascom, Professor William G. Sumner, Henry George, J. E. Thorold Rogers and other eminent free-traders have expressed opinions similar to those quoted above.

I will close this rambling and, to me, most unsatisfactory address, with a few quotations from a most remarkable book published in 1850. Its title is "*The Theory of Human Progression*." Its author was Patrick Edward Dove, a learned Scotchman, who held that land rent should go to the state for the benefit of all.

Where none has a legal right which is not accorded to another in the scheme of the state, the cause of internal strife is obliterated; and though governments go to war on very insufficient pretexts, populations seldom or never do so without a just cause. The obliteration of the cause, therefore, may fairly be expected to obliterate the fact. The feudal system, with all its modifications past and present, however mild or constitutional, is nothing more than systematized slavery. At the bottom of society there must always be found the great masses in a worse condition than nature intended. And wherever the feudal system exists, or any remnant of it, that system, or its remnant, creates a cause of war among the classes of society; which cause of war creates perpetual uneasiness, frequent agitations, and occasional revolutions. . . .

God has constituted nature aright, and the only protection trade requires is protection from violence, and fraud, and state interference. . . .

And first and foremost must come the question of the land. Suppose, for instance, it should be clearly proved, according to the science of facts (as some have termed economy), that it would be more beneficial to the whole associated community of Britain, to abolish all customs and excises, and all taxes whatever except a land-tax, which could be collected for nothing or next to nothing, what would political economy say in that case? Would it abolish all the taxes that interfere with trade, and thereby absorb the rents of the lands; or would it determine that a man

with a parchment who does not labor, is to be preferred to a man without a parchment who does? From this dilemma political economy can not escape. There must be another system, one that can solve these questions by rule, not arbitrarily, but scientifically — by a rule that is general and applicable to all parties.

And this new system is necessarily politics, or the science of equity.

Political economy, in fact, is the natural preparative for a science of equity. . . . And thus, politics, or the science of equity, springs necessarily in chronological order out of political economy; and when economists have directed the state affairs up to those questions which they cannot answer, they must cede the first place to the true politicians, or themselves become true politicians. And when that period arrives the political evolution is complete, and there is the reign of equity or justice.