

## PROPERTY PHILOSOPHY

By Scott Nearing

[Mr. Nearing was, until recently, assistant professor of economics in the Wharton School of the University of Pennsylvania. He was dismissed without reason given, but it is understood that his views were too radical to please the men who financed the Wharton School, and this is supported even by some of the Trustees.]

The economic issue, as it confronts the American people, is a very new one, which could never have arisen had conditions remained as they were a century ago. While a large proportion of the people in a community hold property there can be no conflict over property ownership. So long as men could cross the frontier and, by taking up free land, become property owners at will, it was impossible to stimulate interest in property income as opposed to service income. The open public domain was an effective answer to all of the objections that were directed against property ownership and property income.

The spirit engendered by property ownership exhibits itself dramatically in small, well-to-do towns surrounded by prosperous farms. The entire population of such places looks with unrelieved dread upon every proposition that in any way affects property rights. The people ask only that they be let alone, and removed from any part in the conflict which industrial development has fomented—the same industrial development which has led to the increase in town land values. Such towns, with their spirit of hostility toward every proposition that looks to the disturbance of property rights, typify the conditions in a society where property ownership is the rule, and not the exception. In the same proportion that property ownership is prevalent, the property spirit and the property philosophy permeate the thought of a community.

Property ownership engenders a faith in the property philosophy. An absence of property ownership has the opposite result. A situation has developed in the centres of industry and commerce which is essentially different from that in the well-to-do country town. Here the great mass of people own little or no income-yielding property. It makes no difference at all whether the proportion is one-tenth of the people with nine-tenths of the property, or one-fifth of the people with four-fifths of the property. The fact remains that in modern industrial centres most people are not owners of property, and that, on the other hand, the ownership of the great mass of property, particularly of income-yielding property, is centred in the hands of a comparatively small group of persons.

As a result of the concentration of property ownership, and of the development of property forms which automatically yield an income to the possessor, a situation has been created in which a great part of the community depends solely, or largely, upon the expenditures of effort as a means of securing income, while another part of the community, a smaller group, receives its income chiefly from property ownership.

Perhaps the United States has not yet reached the point where an open breach may be expected between those who receive service income and those who receive property income. Certainly the crisis in the conflict has not yet come. Nevertheless, one who has watched the development of the past few years, who has followed the labour movement in its larger phases, who has given ear to the undercurrents of socialistic thought and syndicalistic agitation, cannot help feeling that the United States is moving toward the crisis at breathless speed.

Nowhere in the world, perhaps, is wealth being produced in vaster amounts than it is in the United States. The country is reported prosperous. Go where one will, he will find that, on the one hand, the producers of wealth are living for the most part in straitened circumstances. They do not starve; to be sure; but they do fight a hard, and

sometimes a losing, fight with those implacable enemies, cold and hunger. On the other hand, the family hotels, luxurious apartment houses, summer resorts, winter resorts, cruises, tours, and pleasure halls harbour a throng, many of whom have never lifted a finger toward the production of wealth, and most of whom are enjoying incomes far and away above the value of their service contributions to society.

The irony of the situation does not lie mainly in the contrast, though it is ironical enough to see the worker skimping and the idler squandering. The irony of the situation lies in the accusation of extravagance, incompetence, wastefulness, inefficiency, idleness, and dissipation brought by the extravagant, incompetent, wasteful, inefficient, idle, dissipated recipients of property income.

Make no mistake—those who receive property income are not necessarily extravagant, idle or dissipated. They are sometimes careful of money, sometimes miserly. Some of them work—some even overwork. Some are abstemious to the point of asceticism. Nevertheless, the tendency of property income, at least in the second generation, is to create a spirit of indigence and luxurious extravagance, if not of dissolute living. Not all of those who live on property income are parasitic, but they tend to become so. An existence at the expense of others has always, throughout history, led to a deterioration among the parasitic group.

It is not enough that some live from the proceeds of the work of others; it is not enough that some luxuriate idly at the expense of others who toil for a bare subsistence. These idle ones, these luxurious ones, must take the final step, and look down upon those from whose labour they live.

The social snobbery of a parasitic class is inevitable. Its members dare not face their own merits—they would be appalled! They dare not let those upon whose labour they live realise how utterly banal and mediocre are their lives. The workers would then cease to struggle for a position among the propertied class, or else they would set the propertied class to work. Therefore the propertied class, from the elevation of a social position that is built upon the work of those so far below them, look down upon "the masses," "the rabble," "the mob," "the submerged tenth" and they sympathise, they pity, they even give gifts, philanthropically—a mite from out of their superabundance. When questioned regarding this juxtaposition, they answer, "But they get all that they are worth!"

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## THE COMMUNAL RIGHT TO LAND VALUES

By John Cameron

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"If the law of gravitation had threatened any vested interest it is doubtful if it would have been accepted yet."—*Macaulay*.

We would be willing to inaugurate our reform by the smallest instalment, say a penny in the pound on the capital value, or 2s. in the pound on the yearly value of all land, so long as our principle of imposing the tax on "held up" land as well as on fully used land is established. But we do not hide the fact that we are land restorationists and would assert the equal rights of the people to the earth by taking all ground rent for the public Treasury and using it for the common good. We would abolish one after the other the many rates and taxes which hamper trade, and fleece the industrious, and would at the same time correspondingly increase the tax on land values until ultimately the whole of our State and local revenues were provided by ground rent. We should then have reached the Henry George men's ideal—the one or single tax on land values. While one penny of land values remains it is morally wrong