

PROPERTY AND THE LIMITS TO DEMOCRACY

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My argument here is that what is usually understood by democracy is determined by, and constrained by, the prevailing property relations, and these relations constitute the economic foundation of society. It may be true that we don't live by bread alone, but without bread we don't live at all. And, to a large extent, how we organize our institutions, how we think, and how we behave are determined by how we get our bread.

Let us begin by stepping outside existing property relations and entering the world of a slave system, specifically that established in the American colonies. Let us begin with John Brown.

As a national icon, John Brown occupies a rather uneasy place in our history. To some, he's a figure of super-heroic proportions; to others, a criminal of the highest order; to still others, a crazed fanatic. Our view depends on where we're standing; and that depends on the position we take on slavery.

However one feels about John Brown, it must be acknowledged that he was no democrat, at least in any ordinary sense of the word. Slavery was constitutionally protected, was part of the larger U.S. democracy, and was seen by much of the non-slave population to be meek, right, and salutary. John Brown did not submit his actions in Kansas or in Harper's Ferry to a vote. He did not call upon Congress to propose a constitutional amendment to eliminate slavery. Rather, he engaged in violently illegal and undemocratic actions, first shepherding slaves through the New York portion of the Underground Railway—which, after the Dred Scott decision was a Federal crime—then organizing free soilers in Kansas to make war on the slaveholders and their Missouri thugs who had terrorized the small farmers of that territory, then raiding the federal arsenal at Harper's Ferry to secure arms so slaves could free themselves in revolt. He was a criminal, a murderer, a violent, bible-thumping, unforgiving Old Testament avenging angel—and one of my heroes.

What John Brown did was to look the dominant property relations of the South squarely in the eye and say, "This is an evil. No power on earth or in heaven can justify the enslavement of human beings. And, by God—he *was* a religious man after all—if those who occupy the seat of government will not remedy this evil, then I must."

What Brown feared was that, following the repeal of the Missouri Compromise and the passage of Dred Scott, the abolitionist movement, comprised mainly of those who sought to abolish slavery within the constraints of established democracy, would simply disappear. The sentiment was that the South was absolutely recalcitrant on the issue of slavery, and that the northern states should secede from the Union and let the south to its own devices. Should this have occurred, the dominant property system of the south would have continued, perhaps for one generation, perhaps three, perhaps longer. And

95% of the black population would have continued to suffer the abuses, the life-crushing force of that infernal property relationship.

John Brown helped change that possible course of history. The Civil War began in Bloody Kansas and it was begun by a small group of men who violated the rules of the slave democracy and unleashed the whirlwind.

We must at this point ask a set of fundamental questions. In retrospect, most of us, and I'm sure everyone in this room, recognizes the vile, inhuman nature of a propertied system based on slavery. We ask, how could such a system be devised; how could it possibly be justified; how could it be allowed to continue? Let us take up these questions in turn as they bear on issues we must address in a bit.

Slavery was devised by force. Whether in Athens, Rome, or the United States, no one asked the slave's opinion on whether slavery was a desirable arrangement; no one subjected the question to a vote. Property in slaves was organized through coercion. In this, the law played a part, the policing mechanisms played a part, the governing bodies played a part, intellectuals played a part.

Slavery was justified on the basis of natural law, the law of natural inequalities. Aristotle first argued it: slaves are naturally inferior. If they weren't, they wouldn't be slaves. In the U.S, supposed natural inferiority took on an added dimension. As slaves and slave owners were generally of different physical characteristics, natural slave inferiority was ascribed to a supposed "racial" foundation. Racist ideology was then developed—by leading statesmen, academics, religious officials—which "proved" the underlying racial inferiority..

As slaves were naturally inferior, then slave owners, rather than being advantaged by such property, were actually undertaking a burden. Left to themselves, such people would exist in a Hobbesian jungle. Their lives would be short, brutish, and mean. Under the benevolent, if sometimes harsh, care of their superiors, however, they would enjoy a richer, more enjoyable existence.

So, if we were attending the University of South Carolina in 1858, our social sciences courses (most likely announced with "Moral" in the titles) would have extolled the virtues of slavery, underscored its efficiency, its basic humanity, and praised the social worth of its chief beneficiaries.

But many, perhaps most didn't really buy the above argument. Yes, the majority might have been educated to believe that blacks were inferior (though not John Brown), but still, slavery had to be perceived as fundamentally unjust. Didn't it? How then to explain the 200 year life of such a society? Mark Twain, I think, provides the fundamental explanation.

In "My First Lie and How I Got Out of It," Twain points his barbed pen at the "lie of silent assertion." I quote:

It would not be possible for a humane and intelligent person to invent a rational excuse for slavery; yet you will remember that in the early days of the emancipation agitation in the North the agitators got but small help . . . from anyone. Argue and plead and pray as they might, they could not break the universal stillness that reigned, from pulpit and press all the way down to the bottom of society—the clammy stillness created and maintained by the lie of silent assertion—the silent assertion that there wasn't anything going on in which humane and intelligent people were interested.

The spoken lie is of no consequence. The silent colossal national lie that is the support and confederate of all the tyrannies and shams and inequalities and unfairness that afflict the peoples—that is the one to throw bricks and sermons at. But let us be judicious and let somebody else begin.

In propertied societies, we are taught to accept the authority of the institutions extant. What exists is good and proper. Those who challenge authority, in particular the authority of the prevailing property relations, are clearly outside the pale, not worthy of respect nor, in many case, of life and limb. After all, they are challenging what is natural, what is normal. It's best to stay mum, to pretend that there's nothing going on that could possibly be of interest. To do otherwise is to risk being labeled unrespectable.

Well, John Brown did not play by those rules. His rules were not those laid down by propertied authority but were those of divine justice. While we need not accept Brown's supposed origins of those rules, and I certainly do not, we can nonetheless appreciate their force. And in his last written statement following his sentencing, John Brown summed up the basic class issue that all propertied societies raise:

...had I so interfered in behalf of the rich, the powerful, the the so-called great, or in behalf of their children, or any of that class, and suffered and sacrificed what I have in this interference, it would have been all right, and every man in this Court would have deemed it an act worthy of reward rather than punishment.

This Court acknowledges, as I suppose, the validity of the Law of God. I endeavored to act up to that instruction. I believe to have interfered as I have done in behalf of His despised poor, was not wrong, but right. Now, if it is deemed necessary that I should forfeit my life for the furtherance of the ends of justice, and mingle my blood further with the blood of my children, and with the blood of millions in this slave country whose rights are disregarded by wicked, cruel, and unjust enactments, I submit: so let it be done!

Now, capitalist property relations are not those of slavery to be sure. But, still, we face many of the same problems in rationally justifying such property as did the slaveowners and their ideological representatives in justifying slavery.

The classic argument starts with John Locke in his second *Treatise of Government*. Much ink has been spilt in the long-standing debates surrounding that work and even I've contributed a couple essays—of course, I *do* get it right. Regardless of a number of controversial issues, there are two aspects of Locke's general theory that are non-contentious. One, Locke held a labor theory of property: property was justified if it was created by one's own labor. True, the horse and the servant pose problems in this regard, but we can ignore this for the point at hand. Second, the acquisition of property cannot disadvantage the larger community. Those who acquire private property—and it was the land that was at issue in the 1600's—could do so only if “there was still enough, and as good left, and more than the yet unprovided could use.” As well, Locke imposed a spoilage constraint. None could appropriate property beyond an amount that would allow sufficient consumption by the property owner. To do so would deny the fruit of that same property to others and, thus, would “prejudice” them.

Locke's argument is a defense of individualized property, a form of property consistent with petty production—small-scale peasant farming and craft production. Private property exists, but it is constrained by the nature of the production process *and* by a social or moral constraint: private property cannot disadvantage the non-propertyied portion of the community. And if property did disadvantage the community, Locke allowed the right of seizure. For Locke, the community's right to subsistence overrode the right to property.

In Locke, one sees the Jeffersonian justification of property and its relationship to democracy, at least one form of democracy. From Jefferson's “Notes on Virginia”:

Those who labor in the earth are the chosen people of God. Corruption of morals in the mass of cultivators is a phenomenon of which no age nor nation has furnished an example. Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. The proportion which the aggregate of the other classes of citizens bears to that of its husbandmen, is the proportion of its unsound to its healthy parts, and is a good enough barometer whereby to measure its degree of corruption.

The notion here is that small-scale property—or self-ownership—produces a specific set of characteristics among the population: hard work, an independent cast of mind, a rough equality, a virtuous body politic that resists corruption and is itself incorruptible. Economic dependence promotes the opposite set of characteristics.

Individualized property rights dominate the literature on property. We see such a property form in Adam Smith (at least in the first five chapters of *The Wealth of Nations*), in Jean Baptiste Say, the *real* father of neoclassical economics, in almost all the major figures of

the 18th and 19th centuries. It remains the central, unifying principle (though usually in an obtuse fashion) around which modern conventional economic theory is developed and is particularly evident in current libertarian thought such as that of Friederich Von Hayek and Milton Friedman. One can even find mild support for this form of property in Marx and Veblen.

The problem, at least for social theory, is that individualized property is not capitalist property: individualized property *rights* are not capitalist property *relations*. And this distinction is of utmost importance.

Capitalism, like all other propertied societies, is not comprised of property *rights*, but property *relations*. And property relations describe the relations among people, not the relationship between a person and a thing, be it a land or a refrigerator. And here's where all theory founded on individualized property falters.

The basic property relationship in a capitalist society is that between property owners who control more productive property than they themselves can efficiently operate with their own labor, and a class of propertyless workers who sell their labor services—as this is all they have to sell—to those who control that property.

However, the existence of a necessary working class abrogates the Lockean standard, or any other standard based on individualized property rights.

For such a relationship to develop, property owners must already command more property than they themselves can effectively utilize with their own labor. If some stand ready to sell labor skills, others must stand ready to buy those skills. The property holder must obviously have a use for these services and this means that the property under their control must be useless without those skills—an amount of property that violates the initial conditions on which the Lockean-based standards of efficiency and equity rest.

On the other side of this relationship, labor cannot have access to “enough and as good” property on which to apply their own labor. Capitalism requires a labor market for its existence. If workers established independent production relations, capitalism simply could not exist.

Thus, the formation a working class requires coercive measures to *force* people into this relationship. And this process is what Adam Smith called “original accumulation,” and what Karl Marx later termed “primitive accumulation.”

At one time, a significant portion of the population did control enough of the means of production or have sufficient access to non-propertied land—the commons—to allow them a rough economic independence. For the new property relations unfolding, this population had to be deprived of their ability to function independently.

Peasants were driven off land they had occupied for centuries. The various enclosure movements which continued into the 20th century in England, Scotland, and various

European countries, and which continue today in Latin America, Africa, and Asia, forced millions of small producers into a situation where they had no choice in making a living except to sell their services to others. If one examines the literature of the 18th and 19th centuries, one finds a mass of evidence demonstrating that the enclosure movement and destruction of the commons was not only necessary for the creation of a class of wage earners, but was inextricably linked to the creation of dependence and servility. From the 1794 *Report on Shropshire*:

The use of common land by labourers operates upon the mind as a sort of independence. (Once deprived of commons) the labourers will work every day in the year, their children will be put out to labour early (and) that subordination of the lower ranks which in the present times is so much wanted, would be thereby considerably secured.

In addition, the force of the law—controlled by large property holders through their government representatives—was brought to bear on this emerging class.

The Black Act of 1723 criminalized a range of activities which had once been seen as legitimate exercise of traditional rights in the use of the commons—cutting wood, fishing, etc. The Game Laws were instituted to eliminate the hunting privileges of the poor in order to, quoting Blackstone, “inhibit low and indigent persons from pursuing the hunt rather than their proper employments and callings.” The Vagrancy Act of 1744 empowered magistrates to whip, imprison, and in extreme cases, execute “all those who refused to work for the usual and common wages.” And with the New Poor Law of 1834, one sees the law coercing the working poor into a life of serving the interests of the propertied. As the Poor Law commissioners stated in their Report: “We can do little or nothing to prevent pauperism; the farmers will have it: they prefer that the labourers should be slaves; they object to their having gardens, saying ‘The more they work for themselves, the less they work for us.’”

The modern police force was developed during the tenure of Robert Peel and was first used to break strikes in Manchester and the industrial north.

Even the notion of time was altered to facilitate the development of a disciplined working class--punctual, hard-working, and putting in a good day's work for the wages earned. After all, time is money.

Now, what does all this have to do with democracy?

Modern democracy is a creation of capitalism. With the destruction of feudalism, the previous hierarchical methods of rule had to be modified. Some method had to be found to allow the various competing interests of capitalist property owners to find satisfactory resolution. This was modern democracy. As our own James Madison put it:

A landed interest, a manufacturing interest, a mercantile interest, a money interest . . . grow up of necessity in civilized nations and divide them into

different classes actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation. . . .

Democracy was not to extend to the majority of the population, regardless of the specific forms it might take. Note that workers and small farmers were not on Madison's list. In the words of Adam Smith:

Civil government so far as it is instituted for the security of property, is in reality instituted for the defense of the rich against the poor, or of those who have some property against those who have none at all.

Upon reflection, this is what we should expect. It is reasonable that the political and social structure of society should be consistent with its economic structure. If they are not, social incoherence will interfere with the ability of the economy to function.

Now, with the development of capitalism a strange concept took shape--the economy was held to be separate from governmental and social control. Under capitalism, "the market" is to operate on the basis of its own laws—institutions should not intervene, except in the creation and control of a working class. In the U.S., the economic sphere was formally isolated from its political constitution and the United States became the only legally-based market economy in the world. Note that neither in the body of the document nor in the Bill of Rights do we find a right to employment, a right to subsistence.

In England, the issue of intervention initially raised its head in four major contested arenas—parliamentary reform, the Corn Laws, the Poor Law, and the Chartist movement of the 1830's and 40's, all connected to the changes wrought by the industrial revolution.

Here, I remark only on the issues raised by Chartism. For the first time, ordinary workers, by this time the majority of the population, organized to demand the suffrage and to participate in the running of the new society.

To be sure, the Chartist movement contained a revolutionary wing, led mainly by Irish workers who, as Irish, had witnessed the futility of parliamentary politics at close range. But, in the main, what these workers wanted was the vote, believing that through the suffrage they could participate in the regulation of their economic conditions. What they got was jail, their appeals for membership in the franchise derided as a near-criminal act. And rightly so; it would have been insane to allow the New Poor Law, for instance, to be administered by representatives of the same class for which its scientific methods of social torture were designed.

Only after the British working class had gone through the Hungry Forties and emerged a more docile, malleable class; only after the upper layers of skilled craft workers had segregated themselves from the mass of workers in "business unions" that focused on wages, leaving politics to others; only after workers were directed toward organizations of a moderate, compromising stripe; only then were some, and then all—*men*--allowed to

participate in voting for the representatives of property who would govern them. But, no change occurred in the separation of civil matters—in which limited, indirect participation could occur—and economic matters—which were off limits to any level of popular control.

In the U.S., the situation was different of course. If we abstract from the slave economy, there seem to be two main issues confronting the formation of capitalist democracy—subsistence farmers and Indians. Let us first consider the “Indian question” (as it was called).

The original Americans were, in the main, a non-propertyed peoples, as was true for all early populations. We do observe some feudal organizations—the Aztec, Inca, and Mayan civilizations, all of which were remarkably advanced—but, generally speaking, Indians lived in communist arrangements where land and productive equipment was collectively controlled.

And they lived pretty well. It is probable that most of the various tribes and nations enjoyed a standard of living higher than that of the typical European peasant at the time of the conquest.

They also evidenced a form of democracy quite different than that evolving in Europe and the American colonies. All adults participated in the decision-making process seeking to reach consensus on the issues confronting them. As all shared the same social relations, indeed it’s difficult to comprehend the meaning of either property or property relations in such a society, they all had the same objective interests in the outcome of whatever the decision may have been. Without property to constrain them, they could reach agreement in the context of a non-coercive social arrangement.

But such people do not make good workers and collectively-held land is not private property. The first requirement, then, was to better integrate them into the market economy by destroying their traditional economy. I return to Jefferson.

Jefferson proposed “freeing” Indians from their traditional tenure over the land by convincing them to become small farmers. Somehow, individualized ownership conveyed greater legitimacy than communal control. If this failed, he advocated moving them farther west, which, of course, merely put the problem into the future. If Indians resisted this notion, he recommended “federally supported trading houses” that would assure Indians would accumulate debt and be forced to cede their lands to pay it off. Failing this, war and extermination.

The other issue surrounding the native population was that of their general amiability. As their behavior was not constrained by private property relations, they could be decent—non-competitive, sociable, trustworthy, and above all, generous. Indeed, hospitality—essentially the principle that all had a right to subsistence—was the key institution around which tribal society was organized. The general character of these populations is well-

evidenced by missionaries, hunters, explorers, and the colonizers themselves. Let me quote one, who exaggerates a bit, but has it generally right:

They are the best people in the world and above all the gentlest—without knowledge of what is evil—nor do they murder or steal...they love their neighbors as themselves and they have the sweetest talk in the world...always laughing. They are simple and honest...none of them refusing anything he may possess when he is asked for it. They exhibit great love toward all others in preference to themselves.

And now the kicker:

They would make fine servants. With fifty men we could subjugate them all and make them do whatever we want. (Christopher Columbus)

From the vantage point of many colonists, Indian society was superior to that of the colonies. Hence, many “went Indian.” This was a sufficiently large problem that Jefferson and Franklin exchanged correspondence on the issue.

Of course the solution to the “Indian question” resolved both issues and, over time, people accommodated themselves to the unfolding property relations that were eventually seen as normal and reasonable.

The second main problem was that of subsistence farming. If we continue to abstract from slavery, at one time the majority of colonists were subsistence farmers, and in various regions, subsistence farming continued to dominate the economic landscape through the early 20th century—Appalachia, for example. Organized around the Lockean ideal, such people formed communities relatively free of market relations, of debt, and other institutions characteristic of capitalist economy. And they were self-governing.

The process of converting such farmers into wage earners was a more-or-less natural process given the early formation of capitalism and its market arrangements and the developed system of private, individualized property among this population. But the process was greatly facilitated by government through taxation which forced farmers into an exchange relationship in order to secure money to pay those taxes. Governments don’t accept pigs as payment. As independent proprietors were increasingly drawn into the web of market relationships, they were increasingly drawn into a debt relationship. And, with more time and in a different venue, I would draw out the significance of debt in a capitalist form of economic organization. Some prospered and survived economically, most did not—as must be the case given the property relations that lie at the base of a market-driven economy.

In other words the development of capitalist property relations required the destruction of economic independence on the part of the majority and economic independence was the social foundation of early ideological justification of democracy.

Now, though individualized property rights do not define a capitalist economy, let us agree, for the purpose of argument, that this is a near-enough depiction of small-scale capitalism—what we term competitive capitalism.

As long as production processes are consistent with competitive structures, there is theoretical support for a capitalist economy in one important respect. Such an economy does tend to “deliver the goods.” Profit-taking, while not quite synonymous with goods creation, is sufficiently close to warrant faith in the system as conducive to economic progress. We do observe a fairly rapid growth in output and this growth, along with the advances in science and technology promoted by capitalism, has recommended capitalism to all commentators who see a relationship between the increase of material goods and progress. And such commentators argue their case from quite different theoretical positions. Adam Smith, Karl Marx, Thorstein Veblen, Frank Knight, Joseph Schumpeter, Friederich von Hayek, and John Maynard Keynes are probably the most illustrious and influential economists in this regard.

But all these authorities observed consequences of capitalism that spoke against such an economy. Capitalism is aggressive and it promotes inequality. More important, but linked to the above, material progress under capitalism requires the promotion of individualism—behavior that is fractious, divisive, aggressive, and decidedly anti-social. With the development of capitalism, the producer separates himself from the collective security of the clan or village and stands, seemingly, as an isolated entity. Just as others can no longer depend on him, he cannot depend on others. He stands as an individual and success appears to spring from individual sagacity, luck, or wile. An ethic of individualism springs up in which one tries to advantage oneself regardless of consequence to others. This ethic, captured intellectually in the work of Jeremy Bentham, permeates society and becomes increasingly generalized. How then to reconcile the need to promote the unity symptomatic of a well-functioning society and with most theoretical objectives of democracy with the narrow, divisive, individualist economic interests that promote material progress? Each of the authorities above wrestled with this issue, reaching quite different conclusions depending on his theoretical vantage point.

It seems that the principle mechanism that has been developed to deal with this problem is nationalism, often coupled to religion, sometimes uneasily so, as in the U.S. The problem, of course, is that nationalism in particular, while perhaps mollifying the problem internal to one nation state, certainly aggravates the problem at the international level. For nationalism is an engine of war, and when merged with religion could well result in a holy war, a very dangerous development indeed. And, lest you think I’m addressing here developments in the Middle East in particular, I’m not. I remind you that the Nazi government in Germany seamlessly blended its own “Nordic” religion with the most vitriolic nationalism we have yet seen. And when a Cardinal Spellman calls for God’s blessing on U.S. military forces in Southeast Asia, I see no fundamental difference. More recently, we have witnessed a heightened fusion of these ideologies, though in this round of patriotic fervor we have been told—by Vice President Cheney, House Minority Leader Gephardt, Treasury Secretary O’Neill, and President Bush—to demonstrate our loyalty and our unity by purchasing more goods and increasing our

gambling on the stock market. Call it “market patriotism.” (Robert Reich, former Sec. of Labor, Editor of *The National Prospect*)

Eventually, small-scale capitalism gives way to the large-scale capitalism of corporations. Now the contradiction between material progress and social disintegration becomes more acute.

Large-scale capitalism is prone to severe depression and economic stagnation. It is impossible here to articulate why this is so, but the reasoning is based on a contradiction between the ability to produce output—an ability which grows enormous with the technological developments fostered by capitalist property relations—and the ability to sell that output at profitable prices. Financial objectives now dominate production objectives. To attempt to manage this contradiction, firms seek to control the level of output, that is, restricting output below that which technology would allow. Rather than an engine of growth—that which recommended it in spite of its destructive forces—capitalism now appeared to many to be a drag on further material prosperity. In the last quarter of the 19th century we begin to see the call for some form of change in the way the economy was organized. Many called for government to step in and, if not control the economy through direct ownership, at least regulate it through active intervention—a repudiation of the non-interventionist ideology capitalist property relations initially promoted. This was the demand of the populist and progressive movements in the U.S. and was active government policy in Germany. There, intervention was not promoted to weaken the property relations and promote popular democracy, but to undercut the burgeoning socialist movement that was a large part of the political turmoil of the period, including the United States. This movement was itself a consequence of the changed economic organization. The transition to oligopoly saw the development of extremely large firms concentrating in specific locations. As property cannot be concentrated without concentrating workers, workers too were brought together. And they organized. And many workers saw a different economic organization as the solution to their problems.

The period following the Civil War was one of the most tumultuous we have seen. Workers were organized and militant. Many were of a socialist or anarchist orientation and several union constitutions called for an end to capitalist property relations and the creation of a socialist society. Strikes were many, and many were violent. And how did democracy respond to the demands of those who were now the majority of the population. Workers were met by the courts who imprisoned and sometimes killed them, by police, national guard units, and federal troops who clubbed and murdered them, by legislatures, state and federal who invoked the full weight of propertied democracy to bring them to heel. Newspaper publishers, university presidents, and preachers condemned them from their positions of authority. It is in this period that the cold-war began. It is most enlightening to read McCormick’s *Chicago Tribune* or the *New York Times* following the Haymarket Affair of 1886 and see accounts that would apply almost verbatim to those same papers’ reporting on the Soviet Union in the following century. The cold war has always been about how the economy and accompanying political system are to be organized.

Eventually, just as has previously occurred in England, workers were brought under control, partly through the full force of the state but also, and I think primarily, through the control of unions by propertied interests and the watering down of the socialist parties until it became impossible to see a fundamental difference between such organizations and the more conventional political parties. Unions have achieved wondrous results within the constraints of capitalism—and we would not be enjoying most of the advantages we do without such organizations. But, if controlled by those who accept the prevailing property relations, they also serve as a conservatizing force, confining our ability to think of what is possible to what is possible within the propertied democracy we inhabit.

However, the turmoil of this period did require an erosion of the old non-interventionist program, and with the onset of the Great Depression of the 1930's, it was officially terminated. The increased government intervention of the '30's, whether in the form of regulation, spending programs, monetary policies or social programs was not designed to change prevailing property relations, but to save them. Basically, government had to intervene in order to prevent capitalism from destroying itself. This was the whole point of Keynes's General Theory.

Given the nature of a capitalist economy, forces are always in motion that generate opposition to the prevailing state of affairs. On a fairly regular basis, we do see popular democratic movements developing. In the colonial world, we see any number of independence movements that always contain economic programs surrounding agrarian democracy—land to the tiller—and sometimes a quasi-socialism—all productive property in the hands of workers. These movements must be destroyed if at all possible, contained and controlled if not—just as they have been in the advanced democracies. Since the end of the second World War, the U.S., government has been forced to engage itself in any number of military and other operations in these countries—those who count such things put the number at over 80—in order to maintain the modern property relations that have become increasingly globalized and interconnected. And the U.S. government is no exception in this regard.

I particularly like the 1954 episode in Guatemala, as it well illustrates the issues at hand and takes us back to John Locke.

Jacobo Arbens Guzman was elected president in 1951 with the largest majority in Guatemala history. Arbenz was a nationalist of a democratic persuasion who, among other programs such as instituting the first income tax in that country, undertook land reform. Expropriating, with compensation, acreage from large estates that was not being farmed, these lands were given to peasants who had previously been expropriated by large landowners. In other words, large landowners had violated both Lockean strictures on the acquisition of property, and the Arbenz government was well within its Lockean rights in seizing that land. Among these landowners was the United Fruit Co., a Rockefeller operation. Officials of the company didn't care for this action. Not surprisingly, the U.S. government, in alliance with Guatemalan landlords and the

military, organized a coup that ousted Arbenz and installed Castillo Armas as dictator who then abolished taxes on interest and dividends paid to foreign investors, eliminated the secret ballot, jailed thousands of critics, and returned the lands of the United Fruit Co. More significantly, a 30 year war was unleashed against the peasantry, mainly Mayan Indians, which left at least 100 thousand, and possibly 200,000 dead. The coup was organized in Washington, and most of those who planned it were affiliated with Mr. Rockefeller and United Fruit, in particular, the director of the CIA, Allan Dulles, and his brother, John Foster who was then Sec. of State. The U.S. public was led to provide tacit support for this action through a series of propaganda pieces that the major newspapers, magazines and television and radio networks, were all too happy to publicize as “all the news that’s fit to print.” These articles, which stressed the communist threat to the U.S. posed by the Arbenz regime, were prepared under the direction of public relations specialist, Edward Bernays. Bernays not only had helped sell WWI to the U.S. population under the slogan, “Make the World Safe for Democracy,” he also helped get us hooked on cigarettes, pave over our landscapes, and drink beer as the “beverage of moderation.” Consider the following quote from Bernays:

The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of our country. In almost every act of our daily lives, whether in the sphere of politics or business, in our social conduct or our ethical thinking, we are dominated by the relatively small number of persons who understand the mental processes and social patterns of the masses. It is they who pull the wires which control the public mind. (*Propaganda*)

Now, much of the news we receive through the traditional media is nothing more than corporate or government public relations offerings masquerading as information. Indeed, a recent study published in the Columbia Journalism Review reports that over half the stories in the WSJ, one of the most respected papers in the U.S., consists of press releases even while carrying the heading, “By a Wall Street Journal Staff Reporter.” Whether selling cigarettes, beer, SUV’s, toxic wastes, U.S. Presidents or war, the guardians of propertied democracy are always ready with the appropriate slogan.

In the U.S. we have witnessed similar popular movements. Challenges to the rule of large property occurred in the war of independence period. The late-1800’s, the 1930’s, and the 1960’s witnessed other challenges. We may now be in the early stages of another such development. The response of the guardians of property to the popular movements of the 1960’s and early 70’s is of interest.

In 1974, directors of The Trilateral Commission, an organization begun and funded by David Rockefeller, notable propertied member of society, organized a study on “The Crisis of Democracy,” and published a most important work a year later where various authorities analyzed the problems of propertied democracies when faced with popular opposition. I’m not a conspiracy theorist, but do accept that people with the same or similar objective interests do organize to promote those interests when they are

understood. If we examine the membership list of this organization, and members are drawn from around the world, we get a rough idea as to who directs our thinking and actions when confronting matters of public concern. Included are businessmen in major manufacturing, banking, media, and transportation firms, educators and presidents from major universities, prominent politicians, civil rights leaders, and, yes, union leaders.

Zbigniew Brzezinski, Director of the Commission
 I.W. Abel, President United Steelworkers
 John Anderson, House of Representative
 Ernest Arbuckle, Chairman, Wells Fargo
 Paul Austin, Chairman, Coca-Cola
 George Ball, then serving as chair of Lehman Brothers
 Lucy Wilson Benson, Former President, League of Women Voters
 Harold Brown, President, Cal Tech
 James Carter, Future President, US
 William Coleman, Sec. Of Transportation
 Hedley Donovan, Editor-in-Chief, Time, Inc.
 Thomas Hughes, Chairman, Carnegie Endowment for International Peace
 J.K. Jamieson, Chairman, Exxon
 Lane Kirkland, Sec-Treasurer, AFL-CIO
 Paul McCracken, Prof. Of Economics, U of Mich.
 Walter Mondale, U.S. Senate
 Henry Owen, Director, The Brookings Institutions
 David Packard, Chairman, Hewlett-Packard
 Elliot Richardson, then Ambassador to England
 Carl Rowan, columnist
 Arthur Taylor, President, CBS
 Leonard Wood, President, UAW

According to Harvard political scientist Samuel Huntington who authored the report on the situation in the U.S., the 1960's witnessed a major revival of the democratic spirit. Indicative of this revival was a *low* voter turnout (though increased participation in political campaigns); various protest movements, in particular those associated with the war in SE Asia and Civil Rights; an expansion of militant unionism and democratic movements within unions that challenged the authority of existing conservative control; a reassertion of equality in social, political, and economic life.

I quote:

The vitality of democracy in the United States in the 1960's produced a substantial increase in governmental activity and a substantial decrease in governmental authority.

The excess of the democratic surge of the 1960's was a general challenge to existing systems of authority, public and private. People no longer felt the

same compulsion to obey those whom they had previously considered superior to themselves.

Truman had been able to govern the country with the cooperation of a relatively small number of Wall Street lawyers and bankers. By the mid-1960's this was no longer possible.

Effective operation of a democratic political system usually requires some measure of apathy and noninvolvement on the part of some individuals and groups. Less marginality on the part of some groups needs to be replaced by more self-restraint on the part of all groups.

The U.S. was suffering an "excess of democracy" in which the authority of propertied interests had been undermined. It was now necessary to restore that authority. The Commission proposed that conservative union leaders would have to bring their members under control; proper, legitimate civil rights leadership had to be instituted and the more militant sections of that and other movements that had challenged dominant authority had to be marginalized. The population, in general, must have their faith in conventional authority re-established and this could be best done under an appeal to national interests.

And this is what is meant by democracy from the perspective of large property owners and their guardians. It is governance within the constraints of the property relations extant and with the acquiescence of those governed.

I ask, over the last 25 years, have we seen such a program put into effect? And have we also seen something of a return to the notion that the economy is best left to its own workings and that government should assume a more-or-less non-interventionary role? We shall not return to the glory days of laissez-faire, to be sure, but the recent emphasis on markets, on the forces of competition, on inefficient government and the need for privatization certainly moves us in that direction.

And where are we now?

Over the last 20 years, we have observed remarkable changes in the world we have made. As the weakened interventionary program has permeated more and more of the world economy—and it is a world economy—we have witnessed the following.

- a) a reduction in the rates of economic growth; this has been most pronounced in the poorer and middling countries.
- b) In all but the very wealthiest countries, progress in life expectancy has been reduced—in many of the poorest nations, life expectancy has been falling absolutely
- c) Progress in infant and child mortality has been reduced—in many of the poorest areas, mortality has actually increased. We now kill 35000 children a day due to starvation and malnutrition, some of these in the U.S..
- d) Progress in education and literacy has slowed with the reductions in rates of growth in public spending on education among all country groups.

- e) The distribution of income has become more unequal in all country groups. Absolute poverty has increased.
- f) Environmental destruction has intensified.

To some extent, and it would be difficult if not impossible to specify how much, the negative consequences for the majority of the world's population have been the result of various economic policies mandated by large financial organizations—in particular the IMF and the World Bank. Financial interests now rule and the subsistence requirements of the majority are of little interest.

- a) trade liberalization: in poorer countries, this leads to layoffs in non-agricultural sectors and the displacement of the rural poor. In Mexico, for example, NAFTA has opened the gates to imported agricultural products from the U.S., forcing farmers off the land as they can't compete with Cargill and Archer Daniels—not exactly your typical small property holder. And we then concern ourselves with illegal migration from Mexico consisting of displaced farmers looking for an alternative source of income.
- b) Privatization: governments are typically required by the IMF to sell off government-owned enterprises to private, often foreign, investors—this usually results in layoffs and pay reductions.
- c) Reductions in government spending, in particular spending on social services to the poor.
- d) Imposition of user fees for education, health care, drinking water. For the very poor, even small charges may result in the denial of such services.
- e) Higher interest rates: to attract foreign investment (that is, reward coupon clippers and speculators). Higher rates of interest dampen internal economic activity, exacerbating poverty. (All from Joseph Stiglitz, *London Observer* interview, Oct. 10, 01)

We must remember that over the last two decades (and more), the economic program instituted was said to be constructed to promote greater democracy, greater freedom. One must ask, whose democracy, whose freedom?

In Mongolia, a “democratic movement” is now underway. Since the demise of the Soviet Union, the distribution of income has become more unequal. In 1991 about 15% of Mongolians were statistically labeled “poor.” Now that percentage is 38. Illiteracy has increased from near zero to over 10%; life expectancy, which had doubled during the Soviet period, has begun falling. In the 1990's, the World Bank, IMF and Asian Development Bank moved over \$2 billion into Mongolia, facilitating a restructuring of the economy to accommodate the democratic transformation underway. One result of this financial activity is that now Mongolia has a foreign debt of \$1 billion, roughly equal to its GDP. As part of that transformation, U.S. political parties and organizations such as the International Republican Institute – a US group promoting democracy and free trade—have been operating in that country. At the headquarters of that organization, one sees posters promoting Genghis Khan and others proclaiming, “I wished I lived in New York, so I could vote against Hillary.” The Institute forged several political groups into a

single, “Democratic Coalition” and secured the 1996 parliamentary elections, with candidates campaigning on a “Contract with Mongolia,” modeled on Newt Gingrich’s “Contract with America.”

Politically savvy Mongolians, speculating on the future of democracy in Mongolia, are hesitant to specify what this future will hold, but suggest that, whatever it looks like, it will be determined by the World Bank, the IMF, and the Asian Development Bank.

Many of us are concerned about the world we have made. Materially, we may be comfortable—some are more than comfortable and, finding themselves with incomes greater than that which they can rationally spend, they engage in an orgy of conspicuous consumption that can only be labeled socially obscene. But for those who are merely comfortable and for whom individualism has not wholly distorted their intelligence—that is, for those who still retain what is often called a social conscience—a certain disquiet prevails: we have not fully fallen prey to the lie of silent assertion. We see an increase in alienation, an increase in socially reprehensible behavior, in political apathy, in disregard for the well-being of others, in just plain meanness. We see a collapse of values held to be traditional, a disintegration of institutions thought to be venerable—including, perhaps most importantly, the family structure that was itself created by capitalism. We also see a growth in poverty on a world scale. And we see a growth in conflict between and within nations. And we ask, at what social price has limited material progress come?

We also see economic stagnation. The U.S. has joined most of the rest of the world in the ongoing recession that has seen high unemployment in Europe, a no-growth economy in Japan, and worsening economic conditions for a large part of the world’s population. I don’t know what will come of this. But, if the recession is long enough and deep enough, perhaps it will cause enough of us to start thinking once again about the relationship between the property relations that lie at the foundation of our society, and the democracy that has been fashioned to serve those relations. Old questions will once again find their way to the table: why don’t we have a right to employment; why don’t we have a right to subsistence?

Let’s just suppose such a demand were actually implemented? Wouldn’t guaranteed employment at a wage sufficient to raise a family comfortably ease two social issues now facing us—racism and the collapse of the family structure? Martin Luther King certainly thought so. I quote him on the relationship between economic relations and racism:

As long as labor was cheapened by the involuntary servitude of the black man, the freedom of white labor, especially in the South, was little more than a myth. It was free only to bargain from the depressed base imposed by slavery upon the whole of the labor market. Nor did this derivative bondage end when formal slavery gave way to the de-facto slavery of discrimination. To this day the white poor also suffer deprivation and the humiliation of poverty if not of color. They are chained by the weight of discrimination, though its badge of degradation does not mark them. It corrupts their lives, frustrates their opportunities and

withers their education. In one sense it is more evil for them, because it has confused so many by prejudice that they have supported their own oppressors.

Black and white, we will *all* be harmed unless something grand and imaginative is done. The unemployed, poverty-stricken white man must be made to realize that he is in the very same boat with the Negro. Together, they could exert massive pressure on the government to get jobs for all. Together they could form a grand alliance. Together, they could merge all people for the good of all.

Technically, full employment at a reasonable wage *is* possible. But such a program calls into question the property rights that constrain our thinking, our actions. And the unity of labor that might result is just outright dangerous. It is far better to keep workers anxious, keep workers divided, keep workers in their proper place.

It is fairly clear that we are going through yet another transition in our social evolution. Yet we cannot understand it nor, obviously, see what outcomes await us. We must think things afresh and entertain new modes of thinking.

What kind of a world do we want? After all, we do make ourselves, though not necessarily as we would like. Is it possible to build a world, not of perfection—whatever that would possibly mean—but of simple human decency, one fit for people to become fully human? And what would such a world look like? I assure you I don't know. Like the rest of you, my powers of rational thought and imagination are too limited by convention, by what is deemed normal and natural.

But, I think I know some features of such a world. It must be free of poverty, of war, of racism, of sexism, of all ideology that promotes inequality among peoples. It must be one of justice where all members of a community share decision-making, and all rights and responsibilities are held equally. It must be one where the individual and the social good are not opposed but brought into conciliation. And it must be one where our place within and relationship to nature is much better understood. We are, after all, animals, though of a most peculiar variety. We must learn to tread lightly. And we must learn to once again appreciate beauty. While we are peculiar, we are also remarkable. We are the animal that has produced Bach; but we are also the animal that kills millions in war and allows its children to starve when food is readily available.

It must be, in other words, a world of equality. And equality is not to be understood in some arithmetic sense but is itself to be socially constructed and socially reinforced—and that is a job for future generations.

We cannot hope to live in such a world, It's probably too much to even envision such a world—we are so far removed from egalitarian relations and structures within which we originally evolved, so accustomed to inequality as natural, that it's difficult, if not impossible to understand what equality means. The best we can do is to work toward such a world. And this I do know: if we don't work toward this objective, then we accept our current world by default. And if we're content with such a world, then fine. But if we

are not, and from my vantage point I do not see how we can be, then we must work for change. And change is either toward equality or toward greater inequality.

Can we do this? Do we have the will, the intelligence, the courage to work toward a world of simple decency. Or have we been made too selfish, too mean, to cynical to even try? Do we fear the loss of respectability? While the raw material out of which a new world can be made doesn't look promising, I remain optimistic that enough decency remains in enough of us. And if we do try, can we create such a world within the confines of existing property relations? I cannot see how. True, capitalism is an amazingly flexible and resilient organization. And the democracy it has created is responsive to pressure from the underlying population—if it sufficiently well organized and sufficiently strident in its demands. But, thus far, democracy has only yielded within the constraints of the property relations it was designed to maintain. And this is what we should expect. Why should we believe we can solve the problems raised by a certain property relationship within the constraints of that relationship? Why should we believe that the privileged members of society will voluntarily give up their privileges?

So then what is democracy from the objective perspective of the majority of the world's population, the useful members of society as Veblen termed them--those who labor. It has nothing to do with forms of government, voting rules, and other facets of what we call democracy. It is the struggle for justice, for equality. It is the struggle of the slave Spartacus, of the Essene Jews, of the Priest John Ball, of Harriet Tubman, Mother Jones, Eugene Debs, and yes, Old John Brown—the struggle against oppression, exploitation, and tyranny, including the ideological tyranny that blinds us to our reality and to our possibilities. And it is this struggle that must sustain us. I conclude with a quote from Lewis Henry Morgan as he summed up the main lessons of his (1877) monumental work, *Ancient Society*:

Since the advent of civilization, the outgrowth of property has been so immense and its management so intelligent in the interests of its owners that it has become, on the part of the people, an unmanageable power. The human mind stands bewildered in the presence of its own creation. The time will come, nevertheless, when human intelligence will rise to the mastery over property.... A mere property career is not the final destiny of mankind. The dissolution of society bids fair to become the termination of a career of which property is the end and aim, because such a career contains the elements of self-destruction. Democracy in government, brotherhood in society, equality in rights and privileges foreshadow the next higher plane of society to which experience, intelligence and knowledge are steadily tending. It will be a revival, in a higher form, of the liberty, equality, and fraternity of (ancient society)

Thank you.