

SEPARATION OF STATE AND MARKET

I cannot find an example of a state which has not been, in a great measure, subject to the power of capital. It is impossible to live and to carry on any enterprises of utility or pleasure, without capital; those who denounce capital most earnestly bear plainest testimony to this; they are squirming about in an effort to escape from, or to turn their backs on, this fact. Hence men have always struggled to get possession of this power. Those who had state power found capital indispensable; they made alliances with those who had it. The latter made terms under which they accomplished their own ends, and satisfied their own tastes. If any examples can be found to the contrary, they are great and powerful despotisms, which were strong enough to disregard all but a military caste, or a priesthood, but even in these cases the power of capital made itself felt indirectly through its influence on the oligarchy which maintained the throne.

I cannot find a case of any state in which the ruling element really practised abnegation of power, or showed a disposition to deprive itself of functions. If democracy contains any great hope for mankind, it lies in the belief that democracy is to distinguish itself from all other forms of the state in this respect. Jeffersonian democracy, by its most important dogmas and maxims, seemed to justify this hope, and if it has won any triumphs, it has won them by this policy. It was not afraid to be

SEPARATION OF STATE AND MARKET S07

called non-government or "atomistic." The old *Congressional Globe* bore the motto: "The world is governed too much." Jeffersonian democracy, however, in its best estate, was able only partly to fulfil its own ideal, for it found that a state power which undertook to live by the principles of self-abnegation could not simply rest at ease or be quietly neutral. It had to defend itself against the forces which tried to direct it, and to push back against the organizations which were trying to drive it on to the undertakings which it disavowed. In the latest developments of democracy, the world over, there is very little of this reluctance to assume functions.

By *imperium* the Romans meant the concept of military and civil power combined in a supreme authority. Every government aims to develop and maintain this conception in its chief organ as a realized fact, and democracy is no exception. The "people" — that is the ruling majority for the time being — instead of divesting itself of any part of the traditional functions of the civil authority, is notably tenacious of everything which it imagines to be "sovereignty"; and it resents any curtailment, as if such curtailment would contain an imputation upon the equality of democracy with the other -ocracies which have had the powers. So we are gravely told that "the state is the depository of the coercive power of society"; as if that was an intelligible proposition, or one embodying a distinct notion applicable to any question of theory or any problem of practise. It is upon such turgid and empty dicta that all absolutism has been built up in the past; and such are now being fabricated with a zeal hitherto unequalled for the purposes of democratic absolutism. Indeed, we seem destined speedily to discover that democracy, instead of being a single

308 EARTH HUNGER AND OTHER ESSAYS

and homogeneous system, is a thing of such various phases and forms that it is scarcely possible to compare two cases of it, or that such a definition can be made that two commentators can understand each other.

Democracy is atomistic. It breaks the society up into individuals who are political units. The peril of such a system is that it is at the mercy of any organization formed inside of it which gives coherence and order to its disintegrated elements. Such an organization will begin to move the whole. To understand the significance of this, let us here bring another set of observations into the scope of our study.

Status holds down individual energy and power. If a black man is told that the only status allowed by social institutions to him is that of a slave, no black man can work out into realization the powers which he may possess. If the status of women is fixed by custom and law, no woman can show her power to do anything outside of the limits. The social arrangement which sets free individual energy is liberty; for under this each one may prove what he is by what he does, and the society profits by the expansion and evolution of all the power there is in it. Now democracy and liberty are not the same thing by any means; but, in the latest history, they have been closely allied with each other, and democracy as a political form has helped and been helped by liberty in the social order. The product of liberty and democracy is individualism. Under it men have been emancipated from tradition, authority, caste, superstition, and to a certain extent from prejudices and delusions; if we could maintain liberty and democracy long enough, we might perhaps produce individualistic results so great that men would be emancipated from delusions and from phrases.

SEPARATION OF STATE AND MARKET 309

This movement, however, like every other, has its perils and abuses. If individualism destroys institutions, and if democracy, with its dream of equality, simply works disintegration, the society is at the sport of the new elements which combine and organize on new centers, for actual disintegration and atomization of society is impossible.

What then are the centers on which the new organizations form, and what is the character of the new organizations? In our modern society they are sure to be interests, meaning by that, groups of persons united by a desire for the success of the same enterprises and seeking pecuniary gain from that success. Here is where the plutocratic element finds entrance into the democratic system, and here lies the weakness of democracy, in the face of the plutocratic forces with which it has to cope in modern society.

What, in the face of such an antagonism, is the significance of this new notion that "the state is an ethical person" — a triviality in the guise of an apothegm? If the state is an ethical person, and is rent by interests which may be sordid, and are at best commercial, what becomes of its ethical authority, and how can its ethical character abide? In order to save its own existence — not its ethical character, but its purely brute existence — it has to take sides with some interests against others, which is just what all modern civilized states are doing.

And yet, as I said at the outset of this essay, it has seemed not impossible that democracy might contain within itself the form and potency of better things. It has seemed that it might be simple-minded enough to throw off all the big dogmas of state-olatry, might be so open and visible, and might feel itself so well known of

310 EARTH HUNGER AND OTHER ESSAYS

all men, that it should laugh down all inflated theories of itself; might be so hard-headed as to treat all political mysticism with contempt; might be so practical that it would know better than to try to do too much, or to busy itself with schemes of universal happiness.

The first condition of its fulfilling any such hope is that it shall renounce. It is the strongest system that has ever existed when it is achieving peace, order, and security; it is the weakest system that ever existed when it attempts to turn its force to industrial or social objects, and it forfeits strength in the former field by all its attempts in the latter. The state is the greatest monopoly of all; it can brook no rival or colleague in its domain; it is necessarily sole and supreme. If the state is purely a civil organization this monopoly character of it is beneficial; if, however, the state enters as an agent into the industrial or social relations of its own subjects, it becomes the greatest and worst of all monopolies, the one best worth having under one's control, the best prize of base struggles, and the most powerful engine by which some men may exploit others.

The most notable product of democracy, especially of American democracy, up to this time, is the maxim of the separation of church and state. There have been strong efforts at times in this country to formulate a maxim of the separation of the state and the market. It is to that policy that democracy ought to come, if it can command the wisdom and the will to attain to it; it would thereby cut the ground from under plutocracy. Plutocracy, as we have seen, consists in the political power of capital. If capital were excluded from all interest in state action, and thrown upon the laws of the market, there would remain only that power of capital which is rooted in the industrial and social order,

SEPARATION OF STATE AND MARKET 311

which nothing can set aside or overcome. If there were no longer any legislative monopolies nor any legislative guarantee of natural monopolies, the only monopolies which would remain would be such as no one can abolish.