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# The Voluntaryist

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Whole Number 61

*"If one takes care of the means, the end will take care of itself."*

April 1993

## The Most Generous Nation on Earth: Voluntaryism and American Philanthropy

By Carl Watner

"There has always been an extraordinary impulse of Americans to form voluntary groups and devise nongovernmental institutions to serve community purposes." For nearly four centuries Americans have initiated countless spontaneous undertakings to fulfill their longing for individual and social improvement—from helping the poor and the sick to expanding the cultural and educational horizons of people from all walks of life. The scope of this article and the boundaries of these efforts are mapped out by the following definitions:

"Philanthropy: love of mankind, especially as manifested in deeds of practical beneficence."

"Charity: benevolent feelings and actions, especially toward those in need."

"Voluntaryism: the doctrine that all the affairs of mankind should be by mutual consent, or not at all."

The principles of voluntary association and voluntary support have always been at the heart of charitable and philanthropic efforts in America. Our American society is so rich, so resourceful, so complicated that it could never have been planned by any central authority. "What political power," De Toqueville asked, could carry on the "vast multitude of...undertakings which the American citizen" participated in every day? These voluntary endeavors have always gone far beyond the commands of political law because true charity, true philanthropy cannot be coerced. The record of these thousands of charitable and philanthropic enterprises "is the story of America at its best," for history shows that since the European colonization of North America, Americans have generally been the most generous people on earth.

The chronicle of American charity and philanthropy begins in the early 1600s, with the story of the settlers in the New England settlement of Plymouth, and in Jamestown, Virginia. Although the English colonists encountered forceful resistance from some Indians, they also received assistance in learning how to plant, fertilize, hunt and fish from such well-known Native Americans as Pocahontas and Squanto. (In many instances, the Indians acted in a more Christian-like manner than the actual Christian settlers.) In most of the colonies, settlements outpaced the organization of formal government. In the absence of statutory law, caring for the ill, the destitute, and the disabled naturally became the responsibility of family, friends, neighbors and the churches. "Voluntary mutual assistance was a natural response to the hardships of the New World."

In the early days, churches and religious groups were the primary vehicles providing assistance to those in need (this is still largely the case today), but there were "numerous other private organizations—nationality groups, fraternal societies, social organizations, and the like" that "aided the unfortunate. Appealing to common sense and self-interest as well as compassion, these bodies gave their members a sense of economic security through mutual aid while performing charitable services for others as well." The traditional role of the friendly societies, as many of these groups were known, "was the elimination of want without the creation of dependence" upon "the largess of the wealthy or of governments."

### Mutual Aid and the Friendly Societies

The earliest of these friendly societies was the Scots Charitable

Society. It was begun by twenty-seven Scotsmen living in Boston in 1657. According to its charter, the group was founded in order to provide for the "relief of ourselves and any other for which (sic) we may see cause." It spread beyond Boston, and by 1690 had over 180 members, including several well-to-do merchants. "Largely based on ties of common nationality in a strange land, the Society aided its poor, provided for its sick, and buried" its own dead. The Society became the model for countless other groups that began during the 18th and 19th Centuries. "In 1754, for example, fifty-four Boston Anglicans founded the Episcopal Charitable Society of Boston, distributing charity to needy members of the Church of England in that city. Thirteen years later, the Charitable Irish Society of Boston was born. Soon the German Society, and so on." Later groups, like the Providence Association of Ukrainian Catholics in America, or the Locomotive Engineers Mutual Life and Accident Insurance Association, or the Fraternal Society of the Deaf, united people sharing other common interests.

Friendly societies, or fraternal organizations for mutual assistance, are not unique to America, but they do offer a picture of how Americans cared for themselves before the advent of the welfare state. Most important of all, Americans had to rely on the principle of voluntaryism because there was no coercive mechanism to force every man to be his brother's keeper. Friendly societies were strictly voluntary associations. No one was compelled to join, nor, having joined, prevented from leaving. Membership, however, did impose its own obligations, and those composing the society were expected to observe its rules and satisfy their financial and social obligations to it.

The range of responsibilities of the typical fraternal association were probably best represented by the Constitution of the National Fraternal Congress of America, which was founded in 1913. It was formed largely as a result of the consolidation of the National Fraternal Congress and the Associated Fraternities of America. Among its By-laws was found the following definition:

Resolved, That a Fraternal Society is an organization working under ritual, holding regular lodge or similar meetings, where the underlying principles are visitation of the sick, relief of distress, burial of the dead, protection of widows and orphans, education of the orphan, payment of the benefit for temporary or permanent physical disability or death, and where these principles are an obligated duty of all members to be discharged without compensation or pecuniary reward, where the general membership attends to the general business of the order, where a fraternal interest in the welfare of each other is a duty taught, recognized, and practiced as the motive and bond of the organization.

By 1920, about 18 million Americans belonged to some type of mutual aid society, and at least half this number were specifically associated with fraternal insurance societies.

There were two or three basic types of fraternal organizations. First there were secret societies, like the Masons, the Elks, and Odd Fellows, which specialized in the social and informal components of mutual aid. They would help out with unexpected sickness, pay funeral bills, build orphanages and old-age homes for their members. The second type was the fraternal insurance society. As their name suggests, these institutions were devoted to providing death and disability benefits, and health insurance to their members. But insurance was not the only service they offered. For example, members of the Woodsmen of America during the 1930s would help one another harvest and gather crops, cut a winter's supply of firewood or help replace a home

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# The Voluntaryist

Editor: Carl Watner

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## My Father's Bridge to the Saturday Girls

By Ellen Graham

... (N)early 15 years ago, ... my father, Roderick Graham, retired from his job as a meteorologist with the U.S. Weather service. Dad and my mother, Elsie, were participating in a long-awaited respite from the burdens of career and children-rearing. Naples (Fla.) beckoned, with its powdery white beaches, long fishing pier and golf courses. Then the Saturday Girls entered their (lives).

In 1978, Dad read in the paper that not a single black student in Collier County had scored well enough on the system's 11th grade mastery test to graduate from high school. Aghast, he decided to volunteer at an after-school tutoring program being organized by the town's black leadership. Few high school students—but dozens of younger children—turned up. It was bedlam, and Dad figured more could be accomplished with a smaller group at home. He and mother invited a handful of kids over one Saturday. Four girls soon became regulars: second-grader Kelly Anthony, third-grader Tangela Burns, and fourth-graders Charlene Bulger and Kendra Williams.

Though Dad didn't know much about it at the time, they had taken a giant step across a yawning racial divide. Whites and blacks in town rarely mixed socially. Naples' white population, many of them wealthy retirees from the Midwest, reside in pastel-tinted beachfront condos or pristine neighborhoods lush with banyan, palm and jacaranda trees. Most of the blacks live in more modest bungalows in a segregated neighborhood dominated by a housing project known in ugly local parlance as "The Quarters."

For Dad's eager students, the hook—at least at first—was the computer. In his years of meteorological research, Dad had used the fastest and biggest computers available. In retirement, he'd become enthralled with the personal computers that were just then coming on the market. The living room of my parents' small, two-bedroom home was crowded with a messy network of desktop machines.

The Saturday Girls took to computers with abandon. So on weekdays, Dad began to forgo golf to write programs that they could use for Saturday math, spelling and reading drills. Unabashedly, he encouraged competition: Perfect scores on drills merited congratulatory banners—or time off for a computer game.

Sometimes he and mother simply read to the girls. Believing that children could never become excited by the drivel in most school readers, they combed second-hand bookshops searching for quality children's literature. My mother always prepared a sit-down lunch. The afternoons wound up with a game of ping-pong, or time at the piano, where Dad taught them to play his favorite boogie-woogie tunes. The girls—all of them natural raconteurs—liked to tell them stories, which Dad would record on tape.

Other black children sought Dad out for help. Earl, for example, couldn't read. He was in high school, but had been passed along by indifferent teachers. He showed up every week after football practice for nearly three years until he mastered reading. He attended college for a year and now works at the Naples hospital. Once when my father was being wheeled into surgery, Earl

greeted him warmly, saying to all in earshot: "Hey, here's the man who taught me to read!"

The years went by, the Saturday Girls grew busy with teen-age concerns and the tutoring sessions dwindled. But by then, friendships had formed. Mom and Dad were invited to the girls' softball games, and thus became better acquainted with their families. For my folks, these outings were more fun than the cocktail parties and bridge games that occupied most of their elderly neighbors.

In time, my parents met Josephine Cloud, a young black teacher at one of the local grammar schools who was holding after-school tutoring sessions of her own. Dad began helping out, and finally offered to set up a computer in her fourth grade classroom. So began his second career as a classroom volunteer.

He'd leave before 8 a.m. most days, returning late in the afternoon. Believing that a classroom with one computer is like a classroom with one pencil, he eventually equipped the schoolroom with a network of 10 Commodores—purchased piecemeal, as his pocketbook allowed. He kept turning out home-made programs to reinforce Miss Cloud's lessons.

Josie Cloud, by now a close friend, moved to Atlanta some time ago. When my folks drove north to visit, they carried computers for her new classroom in the trunk of their car. When Josie later married an engineer from Sierra Leone, they danced at her wedding.

I confess that I sometimes took my parents' activities for granted, even as they'd recount this student's reading progress, that one's budding musical talent or a new technique that seemed to be helping another learn multiplication. As for the Saturday Girls, I followed their accomplishments as well: their good marks in school, their top-ranked high school softball team, their diligence at summer jobs, their college acceptances. My parents boasted of their achievements as though they were family, and indeed they were.

Before the girls scattered for college, Mother and Dad promised them each \$500 a year if they would remain in school. When they left, Charlene's mother shyly asked for lessons of her own. After working all day as a domestic, she now comes evenings to learn to read and write. Three years ago, for the first time, she wrote her daughter a letter at school.

Over the years, Dad chose to go it alone—without a commission, a panel or a committee behind him. He didn't wait for legislative mandates or government grants. Indeed, as a veteran bureaucrat, the idea of administrative dithering still gives him the willies. Someone with more money or a flair for promotion might have been diverted into chasing fanfare and tax-deductible donations. Not Dad. He was too busy teaching.

Now he's reaping the only reward he ever sought. Twice this month—at the age of 78—he drove to northern Florida to attend commencement exercises, first at Bethune-Cookman College for Charlene and then at Florida Southern College for Tangela. Seats were limited, but the girls' families insisted that he join them. My mother, in poor health, cheered from home. Kendra got her degree in marketing at Bethune last year, and recently won a promotion at the Naples bank where she works. The last Saturday Girl, Kelly, will graduate next year.

My parents would be the first ones to stress that the girls' accomplishments are their own. But there was sustained effort on both sides. Connections were made and promises kept. I like to think that made a difference.

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## Most Generous Nation

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destroyed by fire. A third type of society was recognized by its ethnic component. Nearly every major city saw the formation of immigrant fraternal societies. Boston, as we have already seen, had its Scottish and Irish elements represented. Greek and Italian societies were found wherever immigrants from these countries congregated. Afro-Americans often joined the Prince Hall Masonic Order, which had signed up over 30% of adult male African-Americans in "small towns throughout the South" during the 1930s. Local and state lodges of this order "provided a wide range of mutual aid services, including medical insurance, orphanages, employment bureaus and homes for the aged."

### **Social Insurance and the Church**

The fraternal insurance movement in America began in 1868, when John Jordan Upchurch, a master mechanic in the railroad shops at Meadville, Pennsylvania, conceived the idea of organizing his fellow workmen into the first lodge of the Ancient Order of the Workmen. Under its Constitution, the heirs of members were entitled to death benefits. The idea of mutual insurance spread, particularly among working men. By the 1920s there were over 120,000 different fraternal lodges. At that time local insurance lodges were providing their 9 million members with more than \$1½ billion of life insurance coverage. Protection, however, was not limited to life insurance. "Many provided protection against loss of income through sickness or accident. Some even provided medical care through 'society doctors' on a fixed fee basis, much like today's HMOs."

In 1917, Samuel Gompers, the well-known labor leader, observed that "compulsory benevolence" would never benefit the majority of American workers. In the same article, he also wrote that, "There is in our country more voluntary social insurance than in any other country in the world." Gompers was referring to the fraternal societies which "dominated the health insurance market for working class people" before the Great Depression. Although the friendly societies and fraternal orders left plenty of room for improvement "in the context of the time, [they] did a credible job of fulfilling the needs of members and their families."

The mutual aid system of the fraternal orders has now been replaced largely by commercial insurance, government Social Security, or Medicare and Medicaid, but the churches still retain their role as charitable and philanthropic sponsors. Wherever and whenever men and women have been able to embrace the precept "Love thy neighbor as thyself" they have created—"without any suggestion from rulers, lords, governors or selectmen—voluntary agencies to serve their communities." Nowhere has this been more true than in the case of the Christian churches in America.

American Quakers led the way in contributing enormous amounts of time, effort and money in helping the needy and the enslaved. Each Quaker congregation in the New World "had a permanent poor fund for the use of its members, but in time of general calamity or widespread suffering they were among the first to raise additional funds for the unfortunate, whoever or wherever they happened to be." At the time of the American

Revolutionary War, the Quakers organized "The Meeting of Sufferings", composed of Quaker delegates from all the colonies. Its special purpose was to deal with hardships resulting from the conflict. Their most notable relief effort was undertaken during the British siege of Boston in 1775, during which they distributed money and supplies to those in need, "without respect to religious or political belief."

### **The Hospital**

For most of American history the churches have probably been the largest single enterprise in America supported by voluntary gifts. Consequently, their roles in assisting the needy, feeding the hungry, sheltering the homeless and healing the sick have been prominent ones. Two of our most noble American institutions, the hospital and the university, have slowly evolved out of Christian charity and concern.

Hospitals and colleges have always received broad-based support from the American public and pulpit, but in spite of this, many of the earliest were partially supported by the public funding via taxation. The first hospitals in this country probably received more tax money than their educational counterparts because the municipal "sick ward, almshouse and prison," were often combined together in one institution. Neither of the two original American municipal hospitals, Old Blockley (1731) (the predecessor of the Philadelphia City Hospital) and Bellevue (1736) in New York City were open to the public, and both functioned as "houses of correction and public workhouses," caring only for incarcerated wards of their respective cities.

The first two private hospitals in the United States to accept patients from among the general public were founded in New Orleans and Philadelphia. Charity Hospital of New Orleans was begun in 1737, and was originally called St. John Hospital. Jean Louis, a sailor and later an officer in the East India Company, gave \$2,500 to establish it. The efforts to found the Pennsylvania Hospital in Philadelphia were begun by Thomas Bond and Benjamin Franklin in 1751. A subscription list was begun in 1750, but the amount of voluntary pledges was insufficient to start the hospital. Franklin petitioned the Provincial Assembly for a charter and "pecuniary aid." Rural members of the assembly saw little benefit in a city hospital. Believing that the merchants of the city would be unwilling to fund such an institution, they finally agreed to make a grant of 2000 English pounds if the citizens of Philadelphia would contribute a like sum. Using this as leverage, Franklin was able to complete his subscription campaign. The hospital finally opened its doors in 1755.

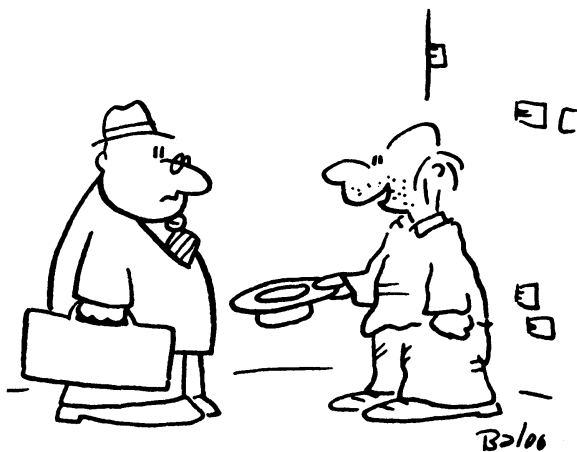
Private initiative was responsible for the beginnings of other hospitals: New York Hospital (1770), the Boston Dispensary (1801), and Massachusetts General Hospital (Boston, 1818). All these early institutions relied upon voluntary subscription lists and bequests, but also received some assistance from their local governments. During the latter half of the nineteenth century, church and civic groups built many hospitals. For example, the Catholic Church established well over 800 hospitals in the United States. As one historian of philanthropy has put it, the resources required to establish American hospitals during the nineteenth century were "raised by an evocation of community good will surpassing any united effort that our people had ever made in behalf of a voluntary enterprise."

### **Universities and Colleges**

Similar hard work went into the founding of American colleges and universities, some of which were established nearly concurrently with the settlement of this country. The ten earliest institutions of higher learning in America were all the result of private philanthropy and religious zeal, though some received financial support from the political authorities. Harvard (1636) was partly supported by taxes paid by the colonists of both Massachusetts and Connecticut, until Yale was founded in 1701. The College of William and Mary (1693) was begun by the Church of England as an Episcopal outpost in Virginia. Columbia University in New York was begun in 1754 by the Episcopalians. Princeton was founded in 1746 by the Presbyterians. "Before the Civil War religious denominations had established 150 of the 180 permanent colleges and universities in existence in 1860." The Congregationalists, the Presbyterians, the Baptists, Methodists and Catholics were also responsible for education "which planted

"If I were convinced that by giving away my fortune I could make a real contribution toward solving the problems of poverty I would. But a hard-headed appraisal of the situation convinces me that this is not the case. THE BEST FORM OF CHARITY I KNOW IS THE ACT OF MEETING A PAYROLL. ...However admirable the work of the best charitable foundation, it would accustom people to the passive acceptance of money, and incidentally deprive of their jobs thousands of hard working people who are associated with me."

—John Paul Getty  
in THE SATURDAY EVENING POST,  
May 22, 1965, p. 10.



*"Come on sir, we private-sector types have to stick together."*

colleges on the frontier as it rolled forward across the continent." The list of religiously affiliated institutions comprises many of the oldest, most respected and well-known institutions of higher learning in this country: New York University (Presbyterian); Brown, Wake Forest and Hillsdale (Baptist); Emory and Northwestern (Methodist); Fordham, Georgetown, and Notre Dame (Catholic); and Swarthmore and Haverford (Quaker).

Although many American colleges were "founded by personal efforts and private gifts, often in tiny amounts scraped together, with great sacrifice, from the most varied sources," others—especially during the last quarter of the nineteenth century—resulted from the beneficence of wealthy businessmen. During the late 1860s, Cornell University was started with a gift of \$500,000 from Ezra Cornell. Johns Hopkins, a Baltimore merchant, bequeathed \$700,000 in 1876, for the establishment of a hospital and university. Today, the Johns Hopkins University and Johns Hopkins Hospital are world-renowned institutions. Stanford University was begun by Leland Stanford Jr. with a bequest of 90,000 acres of land in California. Between 1889 and 1910, the University of Chicago received nearly \$35 million from John D. Rockefeller. Trinity College was renamed Duke University and received millions of dollars from the Duke family of North Carolina.

The history of these private institutions of higher learning demonstrates their vitality, strength and closeness to the communities in which they exist. For whatever reasons, the voluntary colleges and universities of America have created a deep-seated loyalty, a spirit of sacrifice and unselfish devotion among their alumni and supporters. Even during the Great Depression of the 1930s when hundreds of banks, thousands of businesses, and many municipalities defaulted on their obligations, very few American colleges closed their doors. The liberal arts college, "founded and sustained by private philanthropy," represents the spirit of free Americans, who willingly demonstrate their support of higher learning.

#### **The Christian Missions**

Many of the missions and homes founded in the late Nineteenth Century took their impetus from religious convictions. For example, the purpose of the Florence Crittenton homes and the Doors of Hope Union was to spread their Christian message to "fallen women"—prostitutes and those who were pregnant but unmarried. Charles Crittenton, a New York businessman and millionaire, started this first home in 1883 in honor of his four-year-old daughter who died in 1882. "By 1930 there were forty-five Crittenton homes that afforded both spiritual challenge and the training of character necessary to instill habits that would lead to employment." The Doors of Hope was started by Emma Whittemore in 1890, to help needy women. When she died in 1931, there were almost 100 mission houses providing "housing, food, clothing, medical care, spiritual challenge and training in

skills such as sewing, dressmaking and cooking."

Probably the most famous of the late 19th Century missions was founded in New York City in 1872. Jerry McAuley's Water Street Mission was located just below the Bowery, near the Water Street area which was one of the worst in the City, full of saloons, slums, prostitutes, and disease. It was there that McAuley, a notorious drunkard, bandit and river thief began his work. Before he was 30, McAuley had served time in Sing Sing penitentiary, where he read the Bible and attended gospel meetings. After being released, he "fought himself" for four years. Part of that time he reverted back to his old ways, but he eventually resolved to "work for the Lord," by establishing a mission, and helping others who "were as he had been and still, to some extent, was."

McAuley's mission grew from humble beginnings, though from the start he was assisted by friends and ministers. "He invited in tough guys and stumblers-by for cheap, hot food and lots of hot stories. Tales of destitution and depravity were on the menu every night, but so was dessert—stories by McAuley and others of how God's grace had changed their own lives." Individual confessions and testimonies were at the heart of McAuley's method. His purpose was to let those who attended the mission meals and services to "see that dramatic change in their lives was possible, and to challenge them to speak up." He placed emphasis on individual responsibility and the ability to change, always challenging his listeners to "crawl up out of the gutter, stop sinning, and live a new life," with Christ's help.

Jerry McAuley met with great success. By 1882, he was able to found the Cremorne mission, further uptown, and many of his converts went on to found their own halfway houses. One, Michael Dunn, a fifty-two-year-old ex-convict, began the House of Industry and Home for Discharged Convicts in 1881, "with room to feed and lodge twenty-seven ex-convicts. The men made brooms or worked at other tasks in return for their room and board, and spent evenings in the reading room or at religious meetings held three nights a week." In New York City the mission list became long: Christ's Rescue Mission, the Gospel Temperance Union, the Jewish Mission, the Galilee Coffee House, etc.

Ministers in other parts of the country were interested in duplicating McAuley's work. Three of the best inner-city efforts were found in Chicago (Pacific Garden Mission, 1877), Boston (North End Mission), and Washington, D.C. (Central Union Mission). In Boston, there were many spin-offs, such as the Elliot Christian Mission, Women's Mission, Portland Street Mission and the Kneeling Street Mission. In New York, some missions catered solely to certain ethnic groups, like John Jaegar's Mission of the Living Waters on the lower East Side which was a haven for German-speaking immigrants. Staffed with volunteers and funded by voluntary contributions, many of these halfway houses and missions "built model tenements and lodging houses, equipped libraries and reading rooms, and provided job training." Those in the mission movement all based their evangelical efforts on the teaching of Jerry McAuley, who "believed in hand-picked souls" because as McAuley realized "the best fruit is not shaken from the tree, but picked by hand, one by one."

#### **Taking Care of Their Own**

Another religious group that has embraced philanthropic endeavors is the Mormons, members of the Church of Jesus Christ of Latter-Day Saints. Since their beginnings in the 1830s, the Mormons were enjoined to demonstrate their love of mankind by attempting to convert everyone to the gospel. In the 1840s, Joseph Smith, the Mormon patriarch, began the practice of designating one day a month as a "fast day," during which the Saints would refrain from eating. The food that was not consumed was contributed to poor relief. At nearly the same time, the Mormon Women's Relief Society was founded. Its purpose was to "provoke the brethren to good works in looking to the wants of the poor, searching after objects of charity, and administering to their wants." The organization put down new roots in Utah during the 1860s and 70s, and was the forerunner of the Mormon church welfare program. "The Church also participated in humanitarian efforts to help the victims of disasters and war," especially after the San Francisco earthquake of 1906.

During the early years of the Great Depression, Church leaders

"The problem before those who would be charitable, is not how to deal with a given number of poor; it is how to help those who are poor, without adding to their numbers and constantly increasing the evils they seek to cure."

—Josephine Lowell (Olasky, p. 110)

began considering their role in alleviating suffering and hardship among their own. The 1931 Annual Conference "offered much practical and familiar advice: keep out of debt, patronize home industry and pay tithes and offerings." Recognizing the past success of economic cooperation, they urged that each religious ward appoint an employment committee to help find jobs for those Mormons out of work. Church leaders looked unfavorably upon direct government handouts, either in the form of cash or commodities, believing that putting a person to work (so he could earn the money to buy food, shelter and clothing) would do the most to maintain his self-respect and rehabilitate him and his family. In 1933, Saint President J. Reuben Clark, Jr. declared that the idea that the Mormons should get as much as they could from the government because everyone else was, was "unworthy" and "will debauch us."

Some, however, did sign up for federal and state welfare. To keep them off the dole, during the mid-1930s Mormon religious leaders began developing community enterprises in which able-bodied members could find employment. The Saints were reminded that the faithful were to be "independent, self-respecting, and self-reliant." Each bishop was to provide the less fortunate, the worthy sick, infirm and disabled with food supplies, and other materials. In April 1936, the General Church Authorities formulated the Security Plan, now known as the Church Welfare Program. Its guiding principle was to help people help themselves, and do away with the curse of idleness and the evil of the dole.

The program began making great strides, even during its first year of operation. Immediate steps were taken to lay in stores of blankets, fuel and clothing for the coming winter. "Nearly fifteen thousand needy Saints were transferred from government to church relief, and more than one thousand were placed in jobs." The most important part of the welfare plan was to find employment for the unemployed. Church employment committees, apprentice programs, make-work projects (constructing schools, homes and church buildings), and farming enterprises constituted the mainstays of the Saints' welfare plan. Later, large regional warehouses were built to receive bumper harvests of agricultural produce which the Church's farms produced. The goal of the Church's program was, and still is, "that no Mormon need ever apply to the State or Federal Government for assistance because of old age, sickness or unemployment. The Church tries to take care of its own," and while it may not have succeeded one hundred percent, the Church offers a picture of how a truly voluntary welfare program would work.

#### **"Tough Love for the Needy"**

Habitat for Humanity of Americus, Georgia is another Christian group that shares an outlook similar to that of the Mormons. Established in 1976, the group promotes simple and decent housing for the poor through a unique "partnership" program to restore and/or build new housing. The occupants of each house built must contribute not only 500 hours of "sweat equity" to the project, thus helping to build their own home, but also must agree to make payments on a no-interest loan for the cash cost of their house (the average cost being around \$30,000, much less if a house is only rehabilitated). To date, there are more than 700 chapters world-wide, in more than 25 countries. The organization was responsible for the construction of 4,300 homes in 1991, and about 6,000 in 1992. In April 1993, during its "20/20,000" week in Americus, Habitat volunteers plan to build 20 houses in one week, and the 20th house completed will be the 20,000th house built by Habitat since its founding in 1976.

Habitat is voluntarily supported and accepts no government funds. Fearing that acceptance of government funds would

compromise its operation, Millard Fuller, founder, says that he wants to keep the ecumenical Christian housing organization strong "by scrambling for our money." In 1988, international headquarters received contributions and income of \$10 million, and its local affiliates raised over \$17.6 million. However, Habitat has accepted land donated to it by local governments, and has argued for (and received) special exemptions from onerous zoning laws and building codes (which ultimately raise the cost of construction). The heart of its success in building homes stems from the volunteer construction labor donated by its members. Another part of its success rests upon the fact that the recipients of its largess must eventually repay Habitat for its beneficence. Millard Fuller recognizes that Habitat must sometimes exercise what he calls "tough love," and foreclose on a mortgage. This occurs infrequently, when a family demonstrates by its actions and behavior that they no longer want to be "partners in this ministry" to house the homeless.

#### **The Independent Sector and "Give Five"**

Some commentators have categorized the charitable and philanthropic activities described in this article as part of the "third" sector (the first two being, business and government). The essence of this third or independent sector of society is "a belief in being of service to one's community and to other people, without relying on government and without any expectation of (monetary) profit. At the heart of the third sector is individual initiative and a sense of caring." In 1980 a coalition was organized to represent these interests. This group was called Independent Sector, and now numbers of 850 corporate, foundation and voluntary organization members. Its mission "is to create a national forum capable of encouraging the giving, volunteering and not-for-profit initiative that help all of us better serve people, communities and causes." The supporters of the independent sector number in the millions, from those who give

"If every single person possessing the capability should assume the care of a single family, there would not be enough poor to go around."

—Nathaniel Roseanu (Olasky, p. 225)

a few dollars to their favorite charity, to those who give a few hours of volunteer labor to their favorite cause. Taken all together, the sum of these activities constitutes a vitally important, and distinctive part of American life, which is hardly duplicated elsewhere in the world.

Independent Sector has originated and sponsored the national campaign of "Give Five." Since 1986 it has been asking Americans to become Fivers—"to give five percent of income and five hours a week for causes of their choice." The campaign aims to give Americans "a clearer idea of what all of us should do in the fulfillment of our community service and what the composite of all this caring means to our communities and to the nation." The "high five" symbol used by the campaign is designed to celebrate those who are presently tithing 5% of their income and volunteering five hours a week to the causes they care about.

Although there are many different statistics regarding the level of giving and caring in the United States, all of them tend to demonstrate that people in the United States are the most generous on earth. In a recent WALL STREET JOURNAL article (August 14, 1992), Peter Drucker estimated that one out of every two adult Americans, or 90 million people, work for a charitable cause or volunteer for an average of three hours a week. In his article, "Was It a Decade of Greed?", in the Winter 1992 issue of THE PUBLIC INTEREST, Richard McKenzie summarized figures for giving during the 1980s. Individual giving by Americans reached \$102 billion in 1989, and this category represents over 80% of all giving in the country. Measuring in constant dollars, McKenzie notes that "total private charitable contributions by living individuals, bequests, corporations and foundations, reached record high levels in the 1980s. Between 1980 and 1989, total giving in constant dollars expanded by 56 percent to \$121 billion." According to McKenzie, Independent Sector's "Give Five" Campaign has a way to go. National averages show that

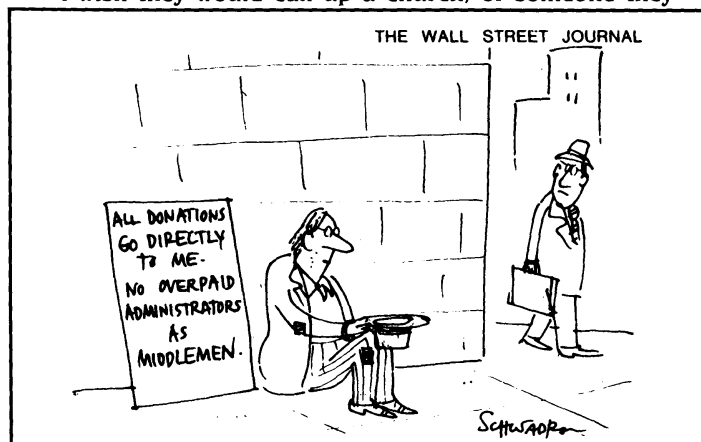


Americans with incomes less than \$10,000 and over \$75,000 gave between 2.4 and 2.9 percent of their incomes to charity in 1989. The vast numbers of people with incomes between \$10,000 and \$75,000 usually devoted less than 2 percent of their incomes to philanthropic purposes.

The range of cultural/charitable/philanthropic services found in the independent sector is incredible. It includes the education provided to many millions of students in private and parochial schools, as well as in institutions of higher learning. It includes numerous centers of private research, many of them connected with universities. Private cultural institutions, such as libraries, ballet companies, choral societies, art museums, theatrical groups, and symphonies are all part of the third sector. Much of the health care system of the United States falls in this category: private voluntary hospitals, facilities for the handicapped, and old-age homes. In the field of welfare services, the independent sector helps alleviate human distress. According to the 1990 edition of *THE GIVER'S GUIDE*, the three largest charities in the country, the Young Men's Christian Association, the Lutheran Social Ministry Organization, and the American Red Cross, rely on private support and receive no government funding. Each group reported 1988 income of \$1 billion, astronomical amounts for voluntary organizations. Religious organizations make up another large part of the independent sector. There are probably more than 500,000 churches and synagogues in America, ranging from the garage or storefront meeting places to the great cathedrals of New York and Los Angeles. More than 15,000,000 Americans belong to one or more of the 500,000 self-help groups across the country. Open to the public, these groups charge only voluntary membership fees, and are often oriented toward helping people to cope with medical problems by holding regular meetings to share information and experiences. "The groups cater to almost every need and creed, from Agent Orange to Zellweger syndrome (a brain affliction); from helping disabled musicians to messy homemakers."

The independent sector is not limited to "organized" activities, but also includes individuals who are trying to bring their own "message to the world." Where else but in America, could one find the Tattoo Removal Project, the brainchild of Karl and Sandy Stein, and sponsored by the Los Angeles County Medical Association? Dr. Stein, a plastic surgeon, donates his time and skills in removing unsightly tattoos from the hands or arms of young teens, who cannot afford to have their tattoos removed surgically. Where else but in America would one find a couple like Hurt and Carol Porter, founders of Kid-Care in Houston, Texas? Their mission? To help feed and clothe some of Houston's most indigent youngsters. They have been doing this for seven years—"using at first their own money, transforming their home into a food pantry and kitchen, and racking up miles on their wheezing old automobile to deliver the food." Their example prompted dozens of volunteers to organize Kid-Care, which now delivers more than 200 meals twice a day. Why have they done this? "It's just something we love to do," says Hurt Porter. He and his wife wish that all the people in this country would just do one thing:

I wish they would call up a church, or someone they



"(B)cause I place a higher value on liberty than anything else, I do not believe that I or any other person has the right to *force* men to be charitable. In other words, I am *not* against charity, but I *am* against the use of force."

—Robert Ringer,

RESTORING THE AMERICAN DREAM,  
(New York: QED, 1979, p. 134).

respect—someone involved in civic activities—and say, "Help me find a family that needs help."

It wouldn't take much, just a big bag of groceries a month and getting involved. ...

One family reaching out to help another family. No government funding, no bureaucracy—and, in one home, no more hunger. (PARADE MAGAZINE, July 5, 1992, p. 9)

#### The Voluntary Sector vs. The Criminal Sector

The three part division of American society into business, government, and the voluntary sector is actually incorrect. In reality what separates government from both business and the private, non-profit sector of society is its coercive nature; and what unites business and the charitable/philanthropic sector is their reliance on voluntarism. Coercive governments, whether local, state, or federal, forcefully impose their demands (sovereign jurisdiction and taxes or else imprisonment and/or death). Though we might not like the choices offered to us by businessmen or charitable philanthropists, we have the options of dealing with them, doing without their services, providing for ourselves without them, or looking elsewhere for someone else to deal with. The point is that those in the voluntary sector do not resort to force and violence if we choose not to deal with them, while those in government may do so if they cannot cajole us into following their dictates. Like criminals everywhere, government employees ultimately say: "Your money or your life."

Voluntarism and voluntary associations provide an alternative to politics and government action. All kinds of groups and individuals are able to exert their influence and seek their goals without recourse to coercion. Voluntary associations have traditionally been one of the largest and most powerful forces in the United States. Even before the 1830s, when Alexis DeTocqueville made his noteworthy comments, voluntarism in the realm of private associations had established itself as an enduring feature of our American way of life.

Americans of all ages, all conditions, and all dispositions constantly form associations. They not only have commercial and manufacturing companies, in which all take part, but associations of a thousand other kinds, religious, moral, serious, futile, general or restricted, enormous or diminutive. The Americans make associations to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the antipodes; in this manner they found hospitals, prisons, and schools. If it is proposed to inculcate some truth or to foster some feeling by encouragement of a great example, they form a society. Wherever at the head of some new undertaking you see the government in France, or a man of rank in England, in the United States you will be sure to find an association. (DEMOCRACY IN AMERICA, Vol 2, Second Book, Chapter 5, "Of the Use Which the Americans Make of Public Associations in Civil Life")

Without doubt, DeTocqueville pointed his finger at one of the most important aspects of American life. As Daniel Boorstin has put it, in America "communities existed before governments were here to care for public needs. There were many groups of people with a common sense of purpose and a feeling of duty to one another before there were political institutions forcing them to perform their duties." If a public activity was required and not yet performed by a government, then individuals joined together to do the job. "If they wanted a church or a school or a college they had to build it" themselves.

It is safe to say that the vitality and success of community life

in America has rested on its voluntary nature. There are two senses in which this is true. First, both history and economic theory demonstrate that people in the free market produce many more goods and services than their counterparts in a centrally organized economy. Thus, there is more to go around in a free society, and the poor there generally have a higher standard of living than the poor in a collectivist society. This economic largess is largely a result of the investment in tools and individual saving which is promoted by the free market economy. Secondly, as Charles Murray noted in his book, *IN PURSUIT OF HAPPINESS AND GOOD GOVERNMENT*, "People tend not to do a chore when someone else will do it for them." If people know that governments will provide a safety-net for the poor, there is little reason for them to exert themselves. When governments reach deep into the local community, the private citizen comes to feel little responsibility for what happens in his own neighborhood. Government efforts not only tend to crowd out private efforts, but also make it more difficult to raise funding for private charitable efforts unless it gives special tax-breaks for charitable contributions.

Government policies are rapidly bringing about the time when the voluntary tradition in America will be greatly diminished. Voluntary associations weaken, as their functions are taken over by the State, and little will remain to hold people together except the coercive power of the State. As Plutarch noted during the First Century, A.D., "The real destroyer of the Liberties of any people is he who spreads among them bounties, donations, and largess." "Bread and circuses" make the poor dependent on the State, and give those who care much less incentive to become charitable and philanthropic.

Like competition in the free market, decentralized, voluntary, private charity brings about the best of all possible worlds (however, it does not guarantee a perfect world). One of the great benefits of private charity is that it permits the best projects to succeed on their own merits. It also fosters experimentation and allows controversial endeavors a chance to succeed. By standing outside the public sector, private philanthropy is free to back new ideas from small beginnings. Like their private enterprise counterparts, those that garner voluntary support begin to succeed and grow; and those that do not gather sufficient funding downsize their operations or cease their efforts.

The private sector in America has not only proved itself capable of producing and creating large amounts of wealth, but it has also demonstrated its willingness to contribute to community causes and to helping the poor. The record of American philanthropy, which "is so impressive that it would require several lengthy volumes to list its achievements," has been created in an environment largely free of government coercion and threat. So, when one asks, "what would happen to the poor in a free society?" one only has to look at American history for an answer. As James Bryce, writing in 1888, observed: "In works of active beneficence, no country has surpassed, perhaps none has equalled, the United States." This tradition has largely continued unabated throughout the Twentieth Century. Even in an era highlighted by progressive income taxes and coercive social security contributions, Americans have continued to be generous—not because of their government, but in spite of it. ▣

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## Seizure Fever

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owner sues the government for its return, the burden of proof is on the owner to prove that the property was innocent. Since the cost of suing the government is prohibitive, most owners never even bother to file suit, or attempt to get their property returned. Even people who have been tried and found innocent of drug crimes or money laundering crimes cannot get their property back. Their innocence has been deemed irrelevant to forfeiture cases.

The ramifications of seizure fever are far-reaching. First, carrying cash is becoming more and more dangerous. Not only might you fear robbery by common criminals, but your cash could be "legally" seized by the police or DEA agents any time they believe it to be the fruit of illegal activity or tainted by drugs. (Recent studies conclude that over 80% of the cash in circulation has drug residues on it.) Second, the IRS will come more and more to rely upon its seizure powers in money laundering cases. Tax evasion cases will automatically come under the category of money laundering. It is much simpler for the IRS to confiscate a tax evader's assets before a criminal trial, than to convict him of tax evasion before a jury of his peers. Under current money laundering statutes, which apply not just to drug dealers, but to everyone, it is criminal to engage in "structured financial transactions" (i.e., designing your cash transfers so as to avoid the federal Currency Transaction Reports, which many banks and other third parties are required to file with the Department of the Treasury). It does not matter that the cash itself has been legally obtained. You are still guilty of money laundering even if you have not been involved in any criminal activity. Your only "crime" is that of handling "your" money as you please.

Expropriation of property by the legal authorities is certainly not new. Forfeiture laws have been around since the Revolutionary War, and have always been used by our government in times of crises. "Every one of the thirteen colonies passed confiscatory legislation." Many also passed laws voiding debts owed to British subjects, so long as all or part of the debt was paid into the State treasuries. During the 18th Century, such laws were also used to seize pirate and slave ships, to prevent them from fleeing to the high seas. In "the Civil War, the Union resorted to confiscation of property as both an economic and political tool." The First Confiscation Act was passed in 1861, "and declared that all property used by Confederates in their insurrection was forfeited and became the property of the government." Under the Second Confiscation Act and the Emancipation Proclamation, both passed in 1862, slaves of rebellious whites, and slaves in the Confederate states were declared to be free. Similar types of laws were passed during World War I. In 1917, Congress approved the Trading with the Enemy Act, which allowed the federal government to not only confiscate property owned by its "enemies," but also property of citizens of allies of our enemies. The government also seized at least 11 industrial plants to "facilitate the war effort." Similar seizures of factories began as early as 6 months before the official outbreak of World War II. During the same war, the property of some 110,000 Japanese-Americans was seized and confiscated after they were interned in domestic concentration camps.

Established and "legitimate" governments do not usually have to resort to outright seizure and confiscation. They can usually convince their loyal citizens to "voluntarily" hand over the goods, services, or money that the government requires. But when this fails, governments certainly do not hesitate to show their true colors by using their police and military to seize whatever they want. This has happened so many times throughout recorded history that you would think that people would get the message that "all acts of government are coercive" or rest on the threat of coercion. When a new government, like that of the United States, is established, one of the standard justifications is that it is designed to protect property rights. Nothing could be further from the truth. The mere existence of coercive government is destructive of property rights. As our experience with seizure fever grows, perhaps more and more people will come to the realization: Governments don't enforce or define property rights—they destroy them! ▣

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# Seizure Fever

By Carl Watner

Forrest McDonald, while professor of American history at the University of Alabama, once wrote that the United States "was born in an orgy of expropriation." The purpose of this article is to show that the 'modus operandi' of our federal and state governments has not changed at all. As the old saying goes, the more things change, the more they remain the same. Professor McDonald was referring to the fact that government policies in the new thirteen states resulted in the confiscation and expropriation of large amounts of property belonging to those Loyalists who refused to change their allegiance. Today, under the guise of combatting the War on Drugs, the federal and state governments of the United States have passed laws which permit the confiscation and expropriation of large amounts of property belonging to those accused of using or distributing drugs, or accused of violating money laundering statutes.

Let us examine some of the typical cases to see how they negate property rights. As reported in the May 18, 1992 issue of USA TODAY, the September 1992 issue of THE MONEYCHANGER, and the July 1992 issue of FINANCIAL PRIVACY REPORT, we find:

- Kevin and Bridget Perry of Osisipee, N.H. were arrested in September 1988 for growing four marijuana plants behind their 27 year old mobile home. They pleaded guilty to a misdemeanor and paid a fine. A month later they received a registered letter stating that the State of New Hampshire was seizing their home for "facilitating" a drug crime.
- Richard Apfelbaum, a cosmetic salesman from Sunshine, Florida, had \$9460 in cash seized at the Dallas-Fort Worth Airport when Drug Enforcement Administration agents became suspicious of his one-way ticket to Las Vegas.
- In October 1990, Steve Zaferis of Liberty Mound, Oklahoma was stopped for speeding while on his way home from a fishing vacation in Michigan. A state trooper noticed that he had a wad of \$50 and \$100 bills in his wallet, and confiscated \$7000, turning it over to the federal Drug Enforcement Administration in Tulsa.
- Richard Price, a 53 year old handyman in Washington, D.C. had his pocket change of \$37 confiscated when he was stopped by a patrolman in a black District of Columbia neighborhood. The scene is common in areas where people trade drugs. The "police call it forfeiture—an important tool for breaking up outdoor drug markets."
- In Oakland, California, city police have confiscated vehicles that are used to transport illegal drugs. Under a federal law, any vehicle used to carry drugs (no matter how small the amount) can be seized—even if the owner is not aware that any crime is being committed.
- Carl and Mary Shelden of Moraga, California sold their home to a man, who was convicted of running a prostitution ring in 1983, sometime after he had purchased their home. After they stopped receiving payments from

the man, they foreclosed, only to discover that the federal government had seized the property, thus making their mortgage valueless.

- A Texas airplane dealer sold an airplane to a customer from California. That customer in turn sold the plane to a Columbian drug dealer. The Columbian and his plane were then caught smuggling drugs into the United States by Drug Enforcement Agency agents. "The Texas dealer's nameplate was on the airplane, so the government seized his entire inventory of airplanes and all his bank accounts."
- A man in Kentucky had his 90-acre farm seized because he was growing marijuana for personal use. The man had a form of hereditary glaucoma, and marijuana "was the only medication that would prevent him from going blind." The man's farm was confiscated, and he was sent to jail for one year for his first offense.
- In Utah, 80 year-old Bradshaw Bowman was accused of growing a few marijuana plants on his land. They were found off a hiking trail, far from his home. There was no evidence that Bowman knew of their existence, nevertheless he lost his whole farm because they were there. A convicted drug dealer had told the local sheriff about the plants.
- According to the ORLANDO SENTINEL, since 1990 local police have been arbitrarily stopping motorists on Interstate 95 in Florida. Cars are searched for drugs, and even if illegal substances are not discovered, any cash is automatically seized and confiscated as "drug money." The SENTINEL says that criminal charges are filed in less than 25% of the searches, and reports that more than \$8 million has been "stolen" from innocent victims of highway robbery.

These examples are just a few of the many thousands of forfeiture cases being handled all over the country. "Federal forfeitures have taken \$24 billion from tens of thousands of people since 1985." Civil forfeiture statutes give the police the power to take property without having to convict—or even accuse—the owner of any crime. The usual presumption of innocence does not apply because "the property does not have rights," so the usual constitutional protections do not apply. The police only need to have "probable cause," the same standard that would be required for them to obtain a search warrant or to make an arrest. But since they are not "arresting" or "searching" anyone, the police are not required to obtain approval from the judiciary, either before or after their seizures.

The police may seize anything that they believe was bought from the profits of criminal activity, or anything that was used to facilitate the commission of a crime. Under these guidelines, buildings—including personal residences—have been seized because telephone calls regarding drug deals have been made from them. Once law enforcement officials have seized a property it is rarely voluntarily returned to its owner. They have a built-in incentive to retain everything they seize, for they get to keep (or keep the proceeds from the sale of) the seized property. If the

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