

## CHAPTER IV

### BACKGROUND AND ORIGINALITY

AN idea that has reached any degree of maturity has, in the course of its historical development, both borrowed freely and given generously, often borrowing without presuming to acknowledge and giving without a demand for recognition. Quite indifferently the stream of thought seems to flow past, drawing upon many nameless rivulets and supplying a host of unknown fountains; it becomes self-conscious and perhaps a bit vain—that is, if a stream can become so without irreparably disturbing its metaphorical balance—only when subjected to critical interpretation. In other words, the evolution of thought is essentially a cumulative process, and the precise contributions of individual originality are of more importance to biography than to history; they are incidental if the viewpoint is that of a social, cultural process. When psychologists as well as historians intimate that strictly original ideas may well be grouped under the class of fables, they undoubtedly have in mind the dominance of this stream of cultural experience. Certainly there can be no attempt to divorce creative effort from its connection with the general movement of thought or from its ideational background—from that accumulated mass of data preserved and transmitted, often unconsciously, by social agencies; but just as certainly, originality, if the word is to have any meaning, cannot be divested of its peculiar function of reacting, and in a formative manner, upon that intellectual background. If it is not creative in any nicely discriminating use of the

term, it is at least reconstructive, and in the history of ideas it is this reworking of given concepts, this reconstructive synthesizing, amending, often distorting, of borrowed thoughts that have taken upon themselves the mantle of originality.

Only in such a sense, then, were the ideas of Henry George original. For him as an individual they were, for the most part, new—startlingly new; they were a vision and a revelation. Yet in the stream of thought they had been flowing for ages. For George they were a synthesis of his own creation, a gathering together of all the intimations that had been suggested by laissez-faire economics, but that synthesis, with different backgrounds and all unknown to George, had been anticipated with disconcerting similarity some half dozen times. The lands that George found had been trod before, yet it was with a feeling of companionship and not of chagrin that he came across an occasional footprint which showed him that he was not the first visitor to a virgin soil. The few intimations he had that his work was not completely original did not disappoint him; instead he was grateful that others also had been granted the privilege of seeing a truth.

If this were to be a study in the history of an idea rather than an inquiry into the precise contributions of one man to that idea, its focus would be upon the onward sweep of thought and not upon any question of originality or indebtedness. It would concern itself with tracing the progress of a concept that has long been in the mind of man. It is the idea that this earth of ours is something entirely distinct from the general classification of private property and wealth, that land and natural resources are a common fund to be administered for the common welfare, that this planet on which man finds himself is a heritage to all generations of men, and that considerations both of utility and equity demand that it be not parceled out among the few for the exploitation of the

many. It is the idea that man, since if he is to live at all he must live upon the earth, be allowed the use of the earth—an idea that has, at least, this characteristic of profundity, its simplicity. But though the scope of this study is not ambitious enough to include such a survey, it must at least give some brief attention to George's anticipators. This thought of his has been traveling the course of all thought, making its appearance against the strangest of backgrounds and flowing along with the queerest of companions. Some day there will be the complete story of its meanderings, and perhaps it may suggest something in the way of utilizing this particular current in the stream of thought for the irrigating of lands that are intellectually arid.

A discussion of the forerunners of Henry George obviously cannot include the complete group of thinkers who have been in some degree concerned with the land problem. The questions that are proffered by the relation of man to the earth are so ubiquitous that they could hardly have failed to have found their way into the thoughts of all men. They are a part of that general storehouse of ideas to which primitive man as well as Isaiah<sup>1</sup> and the Gracchi have been contributors. A sketch of the specific anticipators of George must rather be confined to those who in the course of their speculations have definitely proposed that the expenses of government be defrayed by a tax upon the socially created value of the land,<sup>2</sup> or those whose fundamental approach to political economy and political theory would logically point to such a deduction.<sup>3</sup> The appearance of these heralds of the ideas of Henry George has been so sporadic and culturally discontinuous that

<sup>1</sup> For an interesting account of the Biblical discussions on the land question, see *My Neighbour's Landmark*, by Frederick Verinder (London, Andrew Melrose, 1911).

<sup>2</sup> Strangely enough, it was those precursors of a single tax scheme whose work most specifically resembled that of George with whom he was least acquainted.

<sup>3</sup> Specific brief accounts of the predecessors of George may be found in Samuel Miliken's *Forerunners of Henry George*, pp. 306-343 of *The Single Tax Year Book* (New York, Single Tax Review Publishing Co., 1917), and

a chronological arrangement of their work is scarcely required, especially since the most striking of them, and the only one from whom George was specifically accused of plagiarizing, wrote only thirty years before the publishing of *Progress and Poverty*.

## DOVE

In 1850, the same year that Herbert Spencer, himself a remarkable although later a reluctant anticipator of George, wrote in his *Social Statics* that "equity . . . does not permit property in land." Patrick Edward Dove published in London and Edinburgh a limited and anonymous edition of *The Theory of Human Progression and Natural Probability of a Reign of Justice*. Dove was a Scotch landed gentleman, a scholar and a traveler; his book he dedicated to Victor Cousin. *The Theory of Human Progression*<sup>4</sup> is an attempt to trace the elements that have been present in the development of civilization and to discover whether there is hope for the coming of the scriptural millennium. It is largely an ingenious attempt, and one that shows definite traces of post-Kantianism, to reconcile Christianity and the sciences by means of a division of the sciences so fine that they gradually pass from their own realm to that of theology.<sup>5</sup>

Chapter I of *The Single Tax Movement in the United States*, Arthur Nichols Young (Princeton University Press, 1916). Other reference to particular anticipators will be mentioned later in the text. For a general discussion of the land question in political economy see the classic of Gide and Rist in economic history, *passim*; also (more particularly concerning a single tax): Escarra, *Nationalisation du sol et Socialisme* (Paris, 1904), and Dollfus, *Über die Idee der einzigen Steuer* (Basel, 1897).

<sup>4</sup>The edition used here was printed in New York by the Humboldt Publishing Co., 1895. In 1854 Dove wrote *The Elements of Political Economy*, in which he disclosed that he was the author of the earlier book. Another work of his, *The Logic of the Christian Faith*, appeared in 1856. This was dedicated to Senator Charles Sumner of Massachusetts, an enthusiastic admirer of *The Theory*, which he had had republished in Boston.

<sup>5</sup>Science, for Dove, is the "knowledge of Being," and the sciences may be divided into Politic, Metaphysic, Mathematic, Dynamic, Physic, and Economic. Philosophy, for him, can be separated into Critic, Dikaistic, and Elpistic. (*Theory*, pp. 382 and 405.)

However, in a section entitled "Application of the Theory of Progression in Man's Political Condition," Dove advanced the identical solution that was later proposed by George, and while he did not reach his conclusions through a comprehensive discussion of political economy, yet the line of reasoning that he followed was precisely similar to that used later by George.

First, there is the thought, a basic one with George, that human poverty is not the result of divine neglect, but rather of man's ignorance and his failure to follow natural law:

A large portion of the population is reduced to pauperism, to that fearful state of dependence in which man finds himself a blot on the universe of God—a wretch thrown up by the waves of time, without a use, and without an end, homeless in the presence of the firmament, and helpless in the face of the creation . . . neither do we believe that pauperism comes from God. It is man's doing and man's doing alone. God has abundantly supplied man with all the requisite means of support; and where he cannot find support, we must look, not to the arrangements of the Almighty, but to the arrangements of men, and to the mode in which they have portioned out the earth. To charge the poverty of man on God is to blaspheme the Creator instead of bowing in reverent thankfulness for the profusion of his goodness. He has given enough, abundance, more than sufficient; and if man has not enough, we must look to the mode in which God's gifts have been distributed. . . .

Every department of nature, and of man's phenomenology, has its laws; and if those laws are infringed, evil is the immediate, invariable, and necessary result. And if man's social condition is evil; if we find at one end of society a few thousands of individuals with enormous wealth, for which they work not, and never have worked, and at the other end of society millions belonging to the same country, and born on the same soil, with barely the necessaries of life and too often in abject destitution—there is no other conclusion possible than that this poverty arises from man's social arrangements, and that poor the mass of the population must remain until those arrangements are rectified by knowledge.<sup>6</sup>

<sup>6</sup> *The Theory*, pp. 252-254.

Then, there is the statement of the cause of involuntary poverty, and the prediction of a class struggle, not between capital and labor, but between the landed and the landless, passages which are almost word for word anticipations of many of the pages of *Progress and Poverty*, and which contain the same lofty vigor and the same theological note of prophetic warning:

The evil is expressed in a few words; and, sooner or later, the nation will appreciate it and rectify it. It is "the alienation of the soil from the State, and the consequent taxation of the industry of the country." . . . Gradually and surely has the separation been taking place between the privileged land owner and the unprivileged laborer. And the time will come at last when there shall be but two parties looking each other in the face, and knowing that the destruction of one is an event of necessary occurrence. That event must come. Nor is it in man to stay it or produce it. It will come as the result of the laws that govern nature and that govern man. . . . The population must be destroyed or the land must be opened to their cultivation, and not accorded to the landlord. Of the two parties, one must give way. One must sink, to rise no more; one must disappear from the earth. Their continued existence is incompatible. Nature cannot support both. . . . It is a mere fallacy to suppose that serfdom has been abolished in England. It has not been abolished, it has only been generalized.<sup>f</sup>

There is the same attack upon the rule of outworn institutions that is found in George:

The great theoretic change that must take place in Britain is the abolition of the belief that one generation of men can be bound by the arrangements of past generations; and, instead of that belief, the substitution of a belief that men in every age must be governed by reason; that, whatever the arrangement or laws of past generations may have been, these arrangements or laws are binding now only in so far as they are now right, quite independently of any sanction they may have received from legislation. The acts of past men are no more binding on present

<sup>f</sup> *Ibid.*, pp. 259-260, and 284.

men in matters of politics than they are in matters of astronomy or theology; and when we find the soil of Britain disposed of, not according to any scheme that pretends to be now right, but according to the arrangements of men long since dead, who enacted the perpetuity of their arrangements, we may rest satisfied that the nation must ere long turn its attention to the revision of those arrangements, and inquire, "What ought to be the present disposition of the soil, supposing no arrangements whatever had been inherited from past generations?"<sup>8</sup>

The general solution of the problem is then put forward with the same difficulties that George later found:

Let it also be observed that the land is not essentially private property, and that naturally one man has as much right to the land as another. . . . The great social problem, then, that cannot fail ere long to appear in the arena of European discussion is, "to discover such a system as shall secure to every man his exact share of the natural advantages which the Creator has provided for the race; while, at the same time, he has full opportunity, without let or hindrance, to exercise his skill, industry, and perseverance for his own advantage." . . . As no individual and no generation is the creator of the substantive, earth, it belongs equally to all the existing inhabitants. . . . But though the permanent earth never can be private property . . . it must be possessed by individuals for the purpose of cultivation, and for the purpose of extracting from it all those natural objects which man requires.<sup>9</sup>

Division of the land, however, Dove shows to be "absurd," "as useless as it is improbable," and "unjust." Then follows the precise suggestion of a single tax:

The actual division of the soil need never be anticipated . . . How can the division of the advantages of the natural earth be effected? By the division of its annual value or rent; that is, by making the rent of the soil the common property of the nation. That is (as the taxation is the common property of the State), by taking the whole of the taxes out of the rent of the soil, and thereby abolishing all other kinds of taxation whatever. And thus all industry would be absolutely emancipated from every burden,

<sup>8</sup> *The Theory*, pp. 300-301.

<sup>9</sup> *Ibid.*, pp. 44, 305, and 308.

and every man would reap such natural reward as his skill, industry, or enterprise rendered legitimately his, according to the natural law of free competition. This we maintain to be the only theory that will satisfy the requirements of the problem of natural property.

Let it be observed that when the land is taxed, no man is taxed; for the land produces, according to the law of the Creator, more than the value of the labor expended on it<sup>10</sup> and on this account men are willing to pay a rent for land. But when the privileged classes had monopolized the land, they called it theirs in the same sense in which labor is supposed to belong to the laborer.<sup>11</sup>

Dove's realization of the fundamental significance of the land problem amounted to a clear and fervent conviction that without its correct solution the way could not be cleared for the "reign of justice" and human progression would be halted. Yet his book was essentially a theological rather than an economic treatise, and while the concern with the land question never appears as something incidental, still it does not have the vital, all-important function that it had for George. It may not have been a collateral issue for Dove and certainly it never seems incongruous, but there is always the impression that, as compared with the purely dialectical processes of dividing the sciences and specifying the precise content of each, this factual matter of land administration must be of secondary importance. It was rather with the work of Kant and of Cousin, and not of the Physiocrats and the Mills, that Dove was concerned.

The book remained practically unnoticed<sup>12</sup> until 1889,

<sup>10</sup> Note the Physiocratic influence of the *produit net*. Dove's work shows the indirect influence of the Physiocrats and the earlier English economists; his thorough education must have acquainted him with their doctrines, yet nowhere in the book is there any specific mention of them—indeed, there is no authority quoted later than Moses.

<sup>11</sup> *The Theory*, pp. 311 and 44.

<sup>12</sup> Dove's work was forgotten despite the fact that the book was praised by Carlyle, Blackie, and Sir William Hamilton in England, and by Charles Sumner in this country. See Alexander Harvey's Introduction to the Humboldt edition, p. 11.



when J. W. Sullivan, a journalist who had been dismissed from the staff of George's *Standard*, wrote an article for the *Twentieth Century* on "A Collapse of Henry George's Prentensions," in which he made the accusation that all of *Progress and Poverty* had been plagiarized from Dove's book. George reprinted the article in the *Standard* of October 19, 1889, and answered the charges by stating in the same issue that:

I first heard of it [Dove's book] three years after *Progress and Poverty* had been published, when, in Dublin, in September, 1882, Charles Eason, head of the Irish branch of Smith and Son's news-dealing company, presented me with a copy.

The two books agreed, George continued,

in the recognition of certain fundamental truths, but there are, as I have always contended, self-evident truths, which any one who will look may see, and which, even when covered up by force and obscured by sophistry, have in every age and among every people had their witnesses . . . for they are a part of the natural order as much as the attraction of gravitation, or as that revelation by which two and two make four. . . . So far from even claiming that there was anything new in the idea that all men have equal and inalienable right to land, I have always contended that this was a primary conception of the human mind, and that private property in land has nowhere grown up but as the result of force and fraud. . . . Not my system or anybody else's system, but the old and natural system, the only one conforming to the natural laws and therefore the one intended by the Intelligence which is behind natural law . . .

When I first came to see what is the root of our social difficulties and how this fundamental wrong might be cured in the easiest way by concentrating taxes on land values, I had worked out the whole thing for myself without conscious aid that I can remember, unless it might have been the light I got from Bisset's *Strength of Nations* as to the economic character of the feudal system. When I published *Our Land and Land Policy*, I had not even heard of the Physiocrats and the *impôt unique*. But I knew that if it was

really a star I had seen, others must have seen it, too. And so with *Progress and Poverty*. I said in that book that it would come to many to whom it would seem like the echo of their own thoughts. And beyond what I then knew I was certain that there must have been others before me who saw the same essential truths. And as I have heard of such men one after the other, I have felt that they have been but additional evidences that we were indeed on the true track and still more clearly showed that though against us were ignorance and power, yet behind us were hope and faith and the wisdom of the ages—the deepest and clearest conceptions of man.

In *The Science of Political Economy*, George devotes some attention to the work of Dove,<sup>13</sup> and again declares that his own book was entirely uninfluenced by *The Theory of Human Progression*. Dove's conceptions, then, are significant in the historical development of opinion on the land question, and not because of any bearing upon the particular work of George. They are rather an illuminating piece of independent investigation, and constituted one of those individual convictions which, for George, demonstrated that the recognition of revealed truth was something "which any one who will look may see."

<sup>13</sup> Pp. 189-194. In 1884, two years after he had first heard of Dove, George, while speaking in Glasgow, paid a glowing tribute to the work of this Scotch predecessor.

The absurd extent to which avid seekers after traces of plagiarism will carry their suspicious efforts is strikingly illustrated in the case of George by an obituary notice in the Newcastle (England) *Journal* of October 30, 1897. The notice read: "His (George's) chief book, *Progress and Poverty*, is very largely a repetition of what is to be found elsewhere, fallacies included. He draws largely from former writers on economic subjects, and is especially indebted to the all-but-forgotten author of the *Philosophy of Necessity*, Mr. Charles Bray." Bray's book was published in London in 1863 by Longmans, Green. It resembled somewhat the work of Dove, but was largely a psychological and metaphysical discussion of "Mind" and "Matter." It contains several chapters which give a graphic picture of social conditions in England, and Bray's remedy is free trade, the abolishing of taxes and the private ownership of land, and the vague suggestion of a "single tax" upon land. It is quite true that he was one of the many anticipators of George, but George was hardly enough of a research student or an antiquary to have made his acquaintance.

## THE PHYSIOCRATS

More important than this coincidental similarity between the ideas of George and Dove is the association that the single tax has had with the doctrines of the eighteenth century French Physiocrats,<sup>14</sup> although the connection between the two has been quite generally overemphasized. In fact, due to a loose verbal interpretation of the *impôt unique* of the Economistes, and also to the overzealous wish of some of George's commentators, many obvious and fundamental differences between the two thoughts have been disregarded. George himself, while he believed that his conceptions were a logical continuation of the thoughts of the French economists, yet realized, in his earlier work at least, that his knowledge of their ideas was quite limited and he was cautious enough not to attribute too much to their influence. In *Progress and Poverty* he wrote:

But there has been a school of economists who plainly perceived—what is clear to the natural perceptions of men when uninfluenced by habit—that the revenues of the common property, land, ought to be appropriated to the common service. The French Economists of the last century, headed by Quesnay and Turgot, proposed just what I have proposed, that all taxation should be abolished save a tax upon the value of land. As I am acquainted

<sup>14</sup> The Physiocrats, "followers of the natural order," or Économistes, as they later called themselves, and who are credited with being the founders of the science of political economy (they certainly formed the first "school" of economics) and the inspirers of Adam Smith, flourished in France during the third quarter of the eighteenth century, especially from 1760 to 1780. Their ranks included, among others, Dr. Quesnay, physician to Louis XV and Madame de Pompadour, Mirabeau, father of the Revolutionary orator, Mercier de la Rivière, Baudeau, Dupont de Nemours, Le Trosne, and Turgot, the financial minister of Louis XVI. Gournay is sometimes included in their list, but, as Professor Seligman points out, he still was somewhat of a Mercantilist. The opposition to their teachings in France was led by Voltaire and Condillac, also Mably and Galiani. In Italy the Physiocratic influence was centered in men like Sarchiana and Bandini, Filangieri, Verri, and Ortes; and in Centani in Spain. (See Palgrave's *Dictionary of Political Economy*, Vol. I, p. 90, Vol. III, p. 352, and Vol. II, p. 372. In Palgrave there is mention

with the doctrines of Quesnay and his disciples only at second hand through the medium of the English writers, I am unable to say how far his peculiar ideas as to agriculture being the only productive avocation, etc., are erroneous apprehensions, or mere peculiarities of terminology. . . .

Without knowing anything of Quesnay or his doctrines, I have reached the same practical conclusion by a route which cannot be disputed, and have based it on grounds which cannot be questioned by the accepted political economy . . . .

The elder Mirabeau, we are told, ranked the proposition of Quesnay to substitute one single tax or rent (the *impôt unique*) for all other taxes, as a discovery equal in utility to the invention of writing or the substitution of the use of money for barter.<sup>15</sup>

George dedicated his *Protection or Free Trade* to

the memory of those illustrious Frenchmen of a century ago, Quesnay, Turgot, Mirabeau, Condorcet, Dupont, and their fellows, who in the night of despotism foresaw the glories of the coming day,

although, as Professor Gide writes,<sup>16</sup> "his tribute loses its point somewhat when we remember that he admits that he had never read them." In *The Science of Political Economy*, George devotes some attention to the Physiocrats<sup>17</sup> and endeavors to draw a fairly close connection between his

of many "single taxes," not necessarily on land values, and also several vague early intimations of George's precise ideas, but these, for the most part, are too fragmentary to be of much service.) There was also Charles Frederick and Mauvillon in Germany, and Asgill, Cantillon, and Spence in England who may be classed under the general school of Physiocracy.

For an account of their work see: Gide and Rist, Chap. I; Weulersse, *Le Mouvement Physiocratique en France* (Paris, Alcan, 1910); Henry Higgs, *The Physiocrats* (New York, Macmillan, 1897); Hector Denis, *Histoire des Systemes Economiques et Socialistes* (Brussels, Rozet, 1897); W. W. Stephen, *Life and Writings of Turgot* (London, Longmans, Green, 1895). The best edition of their writings is that of Eugene Daire (Paris, Librairie de Guillaumin, 1846); see also Turgot's works (Paris, Belin, 1811).

<sup>15</sup> Pp. 421-422, and 431.

<sup>16</sup> Gide and Rist, p. 45, n. 2. George did not read French and there were no English translations of their complete writings available for him—and there is still no complete English translation. He stated that the best English account of their work was contained in Macleod's *Elements of Economics*.

<sup>17</sup> Book II, Chap. IV.

proposals and those of the French economists, an attempt that shows his knowledge of Physiocracy was incomplete.

It is true that the basic assumptions of the Physiocrats resembled those of George, and the language of the two proposals is identical, but the similarity ceases as soon as the question of conclusions and purposes is reached. The concern with the land, for example, was fundamental with both George and the Physiocrats, but the French economists' interest in land, as George correctly understood in *The Science of Political Economy*, was primarily a peculiar and mistaken conviction that agriculture was the one industry in which a surplus of wealth remained over and above the amount of wealth consumed in production, the one industry in which a *produit net* was realized. This net product of agriculture (some of the Economistes also included fishing and mining as enterprises which produced such a surplus) George identified with economic rent,<sup>18</sup> although further on he distinguishes between the two, especially with reference to the fact that rent was not only a product of agricultural effort, but, as Ricardo and Mill later showed, a socially created value.<sup>19</sup>

It was upon this *produit net* that the *impôt unique* of the Physiocrats was to be levied, a tax that would be collected in lieu of all other governmental revenue. At first glance, this seems identical with the single tax of George, and, as a purely fiscal instrument, the two plans are the same, but the "single taxes" differ very widely in the ends they were to achieve as well as in their quantitative determination. The *impôt unique* was not to be a remedy for social evils but rather a

<sup>18</sup> *The Science of Political Economy*, pp. 150-151.

<sup>19</sup> *Ibid.*, pp. 151-152.

For a general discussion of the difference between George and the Physiocrats, see Émile Rivaud's *Henry George et La Physiocratie* (Thèse pour le Doctorat—Faculté de Droit; Paris, 1907). Chapter I contains a specific account of the distinctions between the *produit net* and economic rent.

simplification of the burdensome tax system of eighteenth century France. If the only real wealth-producing activity of society were expressed in the *produit net* of agriculture, then obviously all taxes must ultimately come from it, and the Physiocrats merely wanted to abolish the indirect taxes, which ultimately were paid out of the net product. For George, the single tax was a means, and the only one, through which there could be an equitable distribution of wealth. It was, to be sure, a fiscal measure and, like the *impôt unique*, was to simplify governmental finance by doing away with indirect taxes, but it was to be much more than that. It was to be the instrument that would return the value of land to its creators, a restoration that was to prepare the way for the unimpeded flow of wealth into its proper channels. Further, it was to encourage the production of wealth, first by forcing land into use and second by removing the weight of the taxes on creative effort which George, unlike the Physiocrats, recognized to be a burden upon industry and labor, ultimately being paid not out of any net product but rather by the makers and users of wealth. Moreover, the *impôt unique* was to collect approximately one-third of the net product,<sup>20</sup> whereas all the economic rent of land was to be secured by George's single tax.

But aside from these specific differences between the two proposals for a single tax upon land, there remained the great gap between George and the Physiocrats in their conception of the equity of property in land. The Physiocrats were staunch supporters of the *propriétaire foncier*<sup>21</sup>; they believed that a class of respectable landlords was a necessary part of the social order, and their *impôt unique*, they explained quite acutely, would not be a burden upon the landowners, for the land would be bought at seventy per cent of

<sup>20</sup> See Gide and Rist, p. 39.

<sup>21</sup> Rivaud, Chap. II, especially p. 39; Gide and Rist, pp. 7, and 21-26; Young (*op. cit.*), pp. 17-18.

its value—that is, the tax would not be bought and sold along with the land. As Dupont wrote: “And so the public revenue is not burdensome to any one, costs nothing and is paid by no one.”<sup>22</sup> The Physiocratic respect for private property in land was, of course, not shared by George. He felt that the institution of landlordism with its privileged right to the “unearned increment” of land value was the blight that lay at the root of all social injustice. It was the cause of poverty and all the ills born of poverty, and the single tax for him was the method whereby this privileged power of the landlord was to be broken. Thus, there was a complete antithesis between the views of George and the Physiocrats on this fundamental question of private ownership of land,<sup>23</sup> a dif-

<sup>22</sup> Dupont's works, Vol. I, pp. 357-358; quoted in Gidé and Rist, p. 40, n. 1.

<sup>23</sup> In the December, 1890, issue of the *Political Science Quarterly*, Professor Gidé declared that “the famous system of Henry George, which has caused such commotion, was taught word for word by the Physiocrats,” and he went on to quote extensively, especially from Mercier de la Rivière's *L'Ordre Naturel et Essentiel des Sociétés Politiques*. Later, he was criticized and defended for his opinion by two writers in the January and April, 1891, issues of the *Quarterly Journal of Economics*, and in a letter which appeared in Notes and Memoranda of the July, 1891, issue of the *Quarterly Journal of Economics*, he attempted to explain his position:

“I am obliged to decide in favor of my critic . . . No; it did not enter into my mind to undertake any assimilation of the doctrines of Henry George to those of the Physiocrats on the question of landed property . . . I recognized fully that the two doctrines are not identical, nor even reconcilable, since the Physiocrats see in the institution of private property the basis of social order while Mr. George sees in it the cause of all the evils which desolate society. What, then, was my meaning? Nothing more than to establish in favor of the French economists a claim of priority upon a particular point . . . that the Physiocrats long before him had the idea of an *impôt unique* on the land; that, for them, as for him, this *impôt unique* (single tax) was founded on a right of the State as coproprietor, and was intended to constitute a sort of common patrimony of the nation; that for them, as for him, this *impôt unique* was to have for its result the suppression of all other taxes, and was thus to give a vigorous impulse to industry and commerce and to simplify prodigiously the budget of the State. It is true that while the Physiocrats used this weapon of the single tax to consolidate property, Henry George wishes to use it to destroy property. But what difference does this make? It is still the same weapon used for different ends. To avoid all misunderstanding I should have said simply this: ‘The Physiocrats were “single taxists,” but they were not Nationalists.’”

George, of course, also was not a “Nationalist,” a fact which so many economists refuse to see. And the difference between the two “single taxes” does seem quite a fundamental one.

ference, moreover, with which George seemed entirely unacquainted.

The closest resemblance, however, between George and the Physiocrats does not occur in the technical proposals which, chiefly because of language similarities, have been used to associate the two thoughts, but rather in the broad, perhaps vague, issues upon which they based their economic thinking—free trade and laissez-faire, and the existence of a natural order to which each appealed. Between the Physiocrats, the first of academic free traders, and George, perhaps the most complete of free traders, there was no division of opinion; George accepted the laissez-faire of the *Économistes*, but attempted to reinterpret it. The interpretation that George sought to formulate was the idea that free competition had no meaning unless there were first provided equal opportunity, which, for him, meant the abolishing of the privilege and monopoly arising from the private ownership of land. The cynical and high-handed policy of “hands off” that characterized later economic thinking, especially during the early years of the Industrial Revolution in England, and which has so libeled the meaning of laissez-faire, was much too naive, or perhaps too predatory, to have satisfied George;<sup>24</sup> its stupid passivity would have amazed even the Physiocrats themselves.<sup>25</sup>

Coupled with the Physiocratic conception of laissez-faire was the belief in the “natural order,” Physiocracy, of course, meaning—as Dupont specifically defined it—“the science of

<sup>24</sup> George wrote in *The Science of Political Economy*: “They [the Physiocrats] were the authors of the motto that in the English use of the phrase ‘Laissez-faire,’ ‘Let Things Alone,’ has been so emasculated and perverted, but which on their lips was ‘Laissez-faire, laissez-aller,’ ‘Clear the Way and Let Things Alone.’ . . . The English motto which I take to come closest to the spirit of the French phrase is, ‘A fair field and no favor.’” (P. 153.)

The authorship of “laissez-faire” has been ascribed to Vincent de Gournay and to Le Gendre (Gide and Rist, p. 11, n. 2), although Professor Seligman, in his economic lectures, suggests the author to have been d’Argenson.

<sup>25</sup> Gide and Rist, p. 11.



the natural order."<sup>26</sup> Just what was meant by this natural order was not quite clear; it seemed elastic enough to fit almost any rational interpretation, although it certainly was not intended to support any Rousseauesque<sup>27</sup> state of nature. Rather it was a system of rational truths that was held to be almost axiomatic—at least to the Physiocrats. Yet such is the nature of "natural orders" that George could interpret the eternal scheme as demanding the social collection of economic rent, for reasons not at all pleasing to the Physiocrats. A conception of a natural order, even more than belief in laissez-faire, is necessarily a general outline, with the details remaining to be filled in.

It is not of the greatest significance, however, to trace with any completeness the similarities and the distinctions between George and the Physiocrats.<sup>28</sup> George, it is true, was acquainted with their work to some degree, more so at least than with the writing of Dove, but that acquaintance was casual and quite indirect, and, what is of most concern in any question of indebtedness, it was formed after George's early thought had already been shaped. George's own words give the best answer concerning his relation to the Physiocrats, and also indicate his viewpoint as to the place of originality

<sup>26</sup> Gide and Rist, p. 5.

<sup>27</sup> It may be well here to recall Rousseau's well-known opinion on the effect of private property in land as found in the opening lines of Part II of his *Discours*: "Le Premier qui, ayant enclos un terrain, s'avisa de dire, ceci est à moi, et trouva des gens assez simples pour le croire, fut le vrai fondateur de la société civile. Que de crimes, de guerres, de meurtres, de misères et d'horreurs n'eût point épargnés au genre humain celui qui, arrachant les pieux ou comblant la fosse, eût crié aux semblables: Gardez-vous d'écouter cet imposteur; vous êtes perdus si vous oubliez que les fruits sont à tous, et que la terre n'est à personne!"

<sup>28</sup> Dr. Rivaud, in concluding his dissertation (*op. cit.*) states: "Thus, whatever may be our admiration for the illustrious American writer, we are obliged to conclude that he was profoundly mistaken when, from the apparent similarity of a fiscal measure, the single tax, and from the identity of one of its corollaries, complete free trade, he deduced the integral correspondence of the two doctrines; and then paid homage, in one of those pages where he expressed his enthusiasm with such an eloquent power, to these great economists whose dream, he believed, was the restoration to all men of their equal rights to the earth." (P. 94; translation, the present writer's.)

in thought. In *The Science of Political Economy*, after a discussion of the effect of the Physiocrats upon the work of Adam Smith,<sup>29</sup> he writes:

It is a mistake to which the critics who are themselves mere compilers are liable, to think that men must draw from one another to see the same truths or to fall into the same errors. Truth is, in fact, a relation of things, which is to be seen independently because it exists independently. Error is perhaps more likely to indicate transmission from mind to mind; yet even that usually gains its strength and permanence from misapprehensions that in themselves have independent plausibility. Such relations of the stars as that appearance in the north which we call the Dipper or Great Bear, or as that in the south which we call the Southern Cross, are seen by all who scan the starry heavens, though the names by which men know them are various. And to think that the sun revolves around the earth is an error into which the testimony of their senses must cause all men independently to fall, until the first testimony of the senses is corrected by reason applied to wider observations.

In what is most important, I have come closer to the views of Quesnay and his followers than did Adam Smith, who knew the men personally. But in my case there was certainly no derivation from them. I well recall the day when, checking my horse on a rise that overlooks San Francisco Bay, the commonplace reply of a passing teamster to a commonplace question, crystallized, as by lightning-flash, my brooding thoughts into coherency, and I there and then recognized the natural order—one of those experiences that make those who have had them feel thereafter that they can vaguely appreciate what mystics and poets have called

<sup>29</sup> In this connection, it is interesting to note that even Smith, whose work has been so largely accredited to Physiocratic influences, had already formed his early thought before he left for France or knew anything of the writings of the Economistes. His early work was modified and enlarged, obviously, by the inspiration and teachings of the French philosophers, but the germ of his interpretation of political economy was already present in his mind. For this early, pre-Physiocratic stage of Smith's economic opinion, see particularly an account of some of his lectures at the University of Glasgow in 1763, edited by Cannan in 1896 under the title of Smith's *Lectures on Justice, Police, Revenue and Arms* (Oxford, the Clarendon Press). The lectures are compiled not from Smith's manuscripts but from a collection of students' notes.

the "ecstatic vision." Yet at that time I had never heard of the Physiocrats, or even read a line of Adam Smith.

Afterwards, with the great idea of the natural order in my head, I printed a little book, *Our Land and Land Policy*, in which I urged that all taxes should be laid on the value of land, irrespective of improvements. Casually meeting on a San Francisco street a scholarly lawyer, A. B. Douthitt, we stopped to chat, and he told me that what I had in my little book proposed was what the French "Economists" a hundred years before had proposed.

I forget many things, but the place where I heard this, and the tones and attitude of the man who told me of it, are photographed on my memory. For, when you have seen a truth that those around you do not see, it is one of the deepest of pleasures to hear of others who have seen it. This is true even though these others were dead years before you were born. For the stars that we of to-day see when we look were here to be seen hundreds and thousands of years ago. They shine on. Men come and go, in their generations, like the generations of the ants.<sup>30</sup>

#### SPENCE, OGILVIE, FILANGIERI

On the 8th of November, 1775, an Englishman, Thomas Spence of Newcastle-on-Tyne, read a paper before the Newcastle Philosophical Society on the "Rights of Man," for which "the Society did the Authour the honour to expel him." The lecture was later printed as a pamphlet entitled "The Meridian Sun of Liberty, or the Whole Rights of Man Displayed and most Accurately Defined."<sup>31</sup> It was the first of a

<sup>30</sup> Pp. 162-164. See also the *Standard* article of October 19, 1889.

<sup>31</sup> A 1796 edition of this pamphlet is in the New York Public Library and the quotations used have been taken from it. Spence represents the Physiocratic influence upon early English economic thought; he was particularly concerned, furthermore, with demonstrating that Locke's doctrine of labor in private property does not apply to landed property. The best review of Spence's land taxation proposals is given in J. Morrison Davidson's *Four Precursors of Henry George and the Single Tax* (London, Henderson, 1899). The other precursors are Dove, Ogilvie, and Paine. Spence's "Rights of Man" also appears in *The Pioneers of Land Reform, Spence, Ogilvie, and Paine*, edited with an introduction by M. Beer (New York, Knopf, 1920). For a picture of the conditions in which Spence's thought was formed and a discussion of his later work, see Menger, *The Right to the Whole Produce of Labour* (London, 1899), Foxwell's Introduction, and pp. 147 ff.

long series of pamphlets which were bound together in 1797 as "Pigs' Meat"<sup>32</sup>—The Honey or Essence of Politics—now published in Seventy-two penny numbers, making three Volumes. This is the Only Book that in a Direct Manner teaches the real, honest, pure Rights of Man, and that shews an easy and practicable way to enjoy Them." One of these pamphlets, written in 1796, but published the year later with a Preface and Appendix attacking Tom Paine's *Agrarian Justice*, was the "Rights of Infants, or the Imprescriptible Right of Mothers to such a share of the Elements as is sufficient to enable them to suckle and bring up their Young."<sup>33</sup> This was a companion to the "Meridian Sun," setting forth the same proposals but from the feminine standpoint (somewhat of a Shavian economic presentation); Spence felt that since men were tardy in demanding their rights, their wives must take the initiative from their "lock-jawed spouses."

Spence's conception of the rights of man was grounded upon what for him was the most basic of all rights, that of the use of the earth. This was the foundation of natural rights and, as with George, he believed that it could be secured only by breaking the monopoly of the landlords through a communal collection of the ground rents. In his "Meridian Sun" he wrote:

It is plain that the land or earth, in any country or neighborhood, with everything in or on the same, or pertaining thereto, belongs at all times to the living inhabitants of the said country or neighborhood in an equal manner. . . . The first landowners were usurpers and tyrants; and all who have since possessed their lands have done so by right of inheritance, purchase, etc., from them. . . . Were all the landlords to be of one mind and determined to take their properties into their own hands, all the rest of mankind might go to heaven if they would, for there would be

<sup>32</sup> This peculiar title originated from one of Pitt's statements concerning the "swinish multitude."

<sup>33</sup> This pamphlet, which is also in the New York Public Library, is in dialogue form between "Woman" and "Aristocracy."

no place found for them here. Thus men may not live in any part of this world, not even where they are born, but as strangers and by the permission of the pretenders to the property thereof . . .<sup>34</sup>

And here is the method whereby man can again come into his heritage of the earth and so bring about the "real, honest, pure Rights of Man":

Therefore a day is appointed on which the inhabitants of each parish meet in their respective parishes, to take their long-lost rights into possession, and to form themselves into corporations.<sup>35</sup>

These corporations were to administer the landed estate of the nation as a joint-stock company, in parochial partnership, by dividing the rent:

. . . You may behold the rent which the people have paid into the parish treasuries, employed by each parish in paying the government its share of the sum which the Parliament or National Congress at any time grants. . . . There are no tolls or taxes of any kind paid among them by native or foreigner but the aforesaid rent which every person pays to the parish according to the quantity, quality, and conveniences of the land, housing, etc., which he occupies in it. The government, the poor, roads, etc., etc., as said before, are all maintained by the parishes with rent; on which account all wares, manufactures, allowable trade employments or actions are entirely duty free. . . . For the government . . . having neither excisemen, custom-house men, collectors, army, pensioners, bribery, nor such like ruination vermin to maintain, is soon satisfied and moreover there are not more persons employed in offices either about the government or parishes than are absolutely necessary. . . . All nations have a devouring landed interest to support besides those necessary expenses of the public; and they might be raised very high indeed before their burden would be as heavy as that of their neighbors who pay rent and taxes, too. . . .<sup>36</sup>

The results of such a plan are glowingly depicted by Spence:

<sup>34</sup> "Meridian Sun," pp. 3-4.

<sup>35</sup> P. 8.

<sup>36</sup> Pp. 10-11.

Oh hearken! ye besotted sons of men. By this one bold resolve your chains are eternally broken and your enemies annihilated. By this one resolve, the power, the pride and the arrogance of the landed interest, those universal and never-ceasing scourges and plunderers of your race, are instantaneously and for ever broken and cut off. For being thus deprived and shorn of their revenues, they become like shorn Samson, weak as other men; weak as the poor dejected wretches whom they have so long been grinding and treading under foot. . . . But what makes this prospect yet more glowing is that after this empire of right and reason is thus established, it will stand for ever. Force and corruption attempting its downfall shall equally be baffled and all other nations, struck with wonder and admiration at its happiness and stability, shall follow the example; and thus the whole earth shall at last be happy and live like brothers.<sup>87</sup>

In his "Rights of Infants," which contains the same suggestion for a joint collection and administration of rent, Spence recognized the peculiar economic phenomenon that all social wealth and all social progress are expressed in the value of land, that creative economic energy manifests itself in rent, and that therefore the accrued benefits go to the owner of the land rather than to the community; although in that recognition there might have been present some of the Physiocratic conceptions regarding the unique status of land as a productive agency:

The more I contemplate human affairs the more I am convinced that a landed interest is incompatible with the happiness and independence of the world. For as all the rivers run into the sea and yet the sea is not full, so let there be ever so many sources of wealth, let trade, foreign and domestic, open all their sluices, yet will no other but the landed interest be ultimately the better. In whatever line of business or in whatever situation the public observe men thrive, thither every one presses, and in competition bid over each other's heads for the houses and shops on the lucky spot, thereby raising the rents till the landlord gets the whole part of their labours. . . . Nay, even abolish the tythes and the rents

<sup>87</sup> Pp. 8 and 12.

of the farms will immediately so advance that the whole advantage shall center in the landlords.<sup>38</sup>

George first heard of Spence in 1882 while lecturing in England. H. M. Hyndman, the socialist, had found a copy of Spence's pamphlet in the British Museum and had told George of his earlier suggestion for a tax on land values. George "urged Hyndman to publish the lecture in tract form, believing that it would do much good. Mrs. George suggested that this might prove disadvantageous to Mr. George, for people might say that if the idea of taxing land values had been proposed a hundred years before and had since been ignored by the world, there was little use of George in his *Progress and Poverty* trying to popularize the principle now. Her husband answered that most people hesitate to accept an idea thought to be new; that if the proposal in *Progress and Poverty* could be shown to be really an old one, it might make much more rapid way. And so he urged Hyndman to publish the lecture, which the latter did; while George himself sent a copy to Patrick Ford for publication in the *Irish World*."<sup>39</sup> That was ever George's ingenuous policy, not any demand for the honor of discovery, but only a desire to "propagate the faith"; if the proposal "could be shown to be really an old one, it might make much more rapid way."<sup>40</sup>

William Ogilvie, Professor of Humanities in King's College, Aberdeen, from 1761 to 1819,<sup>41</sup> published anonymously in 1782 "An Essay on the Right of Property in Land with respect to its Foundations in the Law of Nature."<sup>42</sup> Al-

<sup>38</sup> Preface, p. 3.

<sup>39</sup> *Life*, pp. 368-369.

<sup>40</sup> George discusses Spence in his *Science of Political Economy* (p. 185) and in the *Standard* article mentioned above.

<sup>41</sup> Ogilvie's professorial chair included Latin languages and literature, political and natural history, antiquities, criticism, and rhetoric. In 1793 Columbia College conferred on him the honorary S. T. D.

<sup>42</sup> The essay was later printed in London in 1838 by Dugdale, an edition which according to Davidson (*op. cit.*) was suppressed, although Milliken

though he does not specifically mention the Physiocrats, there is evidence that he was influenced to some extent by their work, especially in the matter of the "net produce." Ogilvie starts from the assumption that was fundamental with Spence, namely, that men have an inherent right to land, and through his rather vague "progressive agrarian law" he hoped to restore much of the unoccupied land to the landless, and to shift taxation gradually from industry to land. He opens his essay with a discussion of the equity of property in land:

All right of property is founded either in occupancy or labour. The earth having been given to mankind in common occupancy, each individual seems to have by nature a right to possess and cultivate an equal share. This right is little different from that which he has to the free use of the open air and running water; though not so indispensably requisite at short intervals for his actual existence it is not less essential to the welfare and right state of his life through all its progressive stages. No individual can derive from this general right of occupancy a title to any more than an equal share of the soil of his country. His actual possession of more cannot of right preclude the claims of any other person who is not already in possession of such equal share.<sup>48</sup>

Then there is the precise suggestion of a tax on land:

A tax imposed on barren lands and so regulated as to encourage the proprietor in his immediate cultivation, or oblige him to resign them to the community for general distribution, could not be esteemed in the smallest degree unjust. His right to these barren

(*op. cit.*) suggests that the book was well known. Later, D. C. Macdonald, an English single taxer, found copies of the 1782 edition in the British Museum and the Advocates' Library of Edinburgh, and he printed the essay, together with some biographical material, as *Berthright in Land* (London, Kegan Paul, 1891). Quotations from Ogilvie will be taken from this edition. The essay is also printed in Beer's book (*op. cit.*) and selections of it in Davidson. George later became acquainted with the work of Macdonald, and he discusses Ogilvie at some length in the *Standard* article and in *The Science of Political Economy*, pp. 185-186.

<sup>48</sup> Pp. 7-9. The effect of Locke's "doctrine of labour," to be discussed further on, is clearly evident in much of the work of Ogilvie.



lands is founded solely on occupation; there is no improved value superadded, no right accruing from labour bestowed, and as he occupies besides, more than his equal share of the soil, the whole unimproved tracts of his estate belong strictly and entirely to the public, and no small indulgence is shown in giving him an option to improve or to resign them. A tax on all augmentation of rents, even to the extent of one-half the increase, would be at once the most suitable, the most productive, the most easily collected, and the least liable to evasion of all possible taxes, and might with inconceivable advantage disencumber a great nation from all those injudicious imposts by which its commercial exchanges are retarded and restrained, and its domestic manufactures embarrassed. . . .

If the original value of the soil be the joint property of the community, no scheme of taxation can be so equitable as a land tax, by which alone the expenses of the State ought to be supported, until the whole amount of that original value be exhausted; for the persons who have retained no portion of the public's stock but have suffered their shares to be deposited in the hands of the landholders, may be allowed to complain if before that fund is entirely applied to the public use they are subjected to taxes imposed on any other kind of property or any articles of consumption. How preposterous is the system of that country which maintains a civil and military establishment by taxes of large amount without the assistance of any land-tax at all!<sup>44</sup>

While Ogilvie did not possess the vigor of Spence's polemical zeal, his clear distinction between land and improvements and his argument for the taxation of the former and the exemption of the latter, on the grounds that the collection of taxes out of any fund other than that furnished by the social value of land was a burden and an imposition upon all forms of industrial enterprise, makes him a remarkable anticipator of the precise economic reasoning of George. Ogilvie also enters into quite an elaborate discussion of land and land values, endeavoring to point out that there are three different types of value given to land, that of occupancy as shown

<sup>44</sup>Pp. 58-59, and 16, n.

above being the least justifiable, but that discussion is not so pertinent to the later work of George.

In 1782, Gaetano Filangieri, son of the Italian Prince of Arinelli, published the first two of eight proposed volumes on the *Science of Legislation*.<sup>45</sup> The second volume dealt with economic problems and showed the unmistakable influence of the Physiocratic teachings, and in chapters thirty and thirty-one he suggested as one of the fundamental tenets of political economy the levying of a *unico dazio*, or the *impôt unique* of the *Économistes*. Filangieri identified his land tax with direct taxation in general and maintained that it was the only feasible and equitable system of governmental revenue.

A direct tax is no other than a tax on land, which is the true and lasting source of public riches and national revenue, and should bear the whole burden of the public contributions. On first appearance the landowner might be supposed to pay the whole, but every class of the community would in reality bear a part of it, in proportion to its fortunes and abilities.<sup>46</sup>

He went on to show quite correctly that such a land tax was to be introduced only gradually, slowly removing taxes on industry and production and proportionately increasing taxes on land values, the only feasible program for the attempted introduction of any single tax scheme. Filangieri was a very close follower of the Physiocrats and so need not be discussed separately in any detail. Benjamin Franklin, who also sympathized with much of the work of the *Économistes*,<sup>47</sup> be-

<sup>45</sup> The work was translated into English by Thomas Ostello and published in London in 1806. The quotations are from this edition.

<sup>46</sup> Vol. II, Chap. XXX, p. 197.

<sup>47</sup> Franklin wrote to Du Pont de Nemours, July 28, 1768, from London: " . . . There is such a freedom from local and national prejudices and partialities, so much benevolence to mankind in general, so much goodness mixed with the wisdom in the principles of your new philosophy that I am perfectly charmed with it. . . . It is from your philosophy only that the maxims of a . . . more happy conduct are to be drawn, which I therefore sincerely wish may grow and increase till it becomes the governing philosophy of the human species, as it must be of superior beings in better worlds."

came acquainted with Filangieri's work and distributed some of the volumes of the *Science of Legislation* in this country.

#### EARLY AMERICAN PREDECESSORS

The American forerunners of George may be considered to start with the days of Revolutionary thought, and especially with the work of Paine and Jefferson, whose conceptions in many instances were accurate anticipations of George's proposals.<sup>48</sup> Tom Paine, the much maligned and defended, proved to have been a remarkable herald of George's fundamental thought when in his pamphlet,

(Bigelow's *Franklin*, Vol. IV, p. 195.) Again he wrote to Alexander Small in 1787: ". . . Our legislators are all landholders; and they are not yet persuaded that all taxes are finally paid by the land . . . therefore we have been forced into the modes of indirect taxes, i. e., duties on importation of goods." (*Ibid.*, Vol. IX, p. 414.) See also his letters to the Abbé Morellet in Sparks's *Franklin*, Vol. X, pp. 300 and 345.

<sup>48</sup> American anticipators of land taxation ideas may be profitably carried back into Colonial days, and certainly the name of William Penn, who perhaps received some of his ideas on the land question from his friend Locke, should not be omitted. In his *Fruits of Solitude*, written in 1693, Penn stated that "if all men were so far tenants to the public that the superfluities of gain and expense were applied to the exigencies thereof, it would put an end to taxes, leave not a beggar, and make the greatest bank for national trade in Europe." (From edition of 1718, printed in London, Freemantle and Co., 1901—this is the seventh edition; Part II of *Reflections and Maxims*, No. 222, pp. 152-153.) Milliken (*op. cit.*, pp. 313-314) quotes other reference of Penn to land; this is from "Certain Conditions and Concessions agreed upon by William Penn and Adventurers and Purchasers," July 11, 1681: "That every man shall be bound to plant, or man, so much of his share of land as shall be set out and surveyed, within three years after it is so set out and surveyed, or else it shall be lawful for newcomers to be settled thereupon, paying to them their survey money, and they go higher for their shares." The following first tax law in Philadelphia, January 30, 1683, was reported as "Put to the vote, as many as are of opinion that a Publick Tax upon the land ought to be raised to defray the Publick Charge, say yea—carried in the affirmative, none dissenting." Of course, it is recognized that these opinions of Penn are quite definitely bound up with his duties as colonizer, and that land taxes naturally put themselves forward in a young settlement, chiefly because there is very little else to tax. Still Penn had the thought that men were to be "tenants to the public."

Other early Americans who are mentioned by Milliken as having opinions which might be classed as anticipations of George included Cadwallader Colden, Surveyor-General of New York in 1752, and later Governor (pp. 316-317) and Governor Peter Stuyvesant (p. 315).

*Agrarian Justice*,<sup>49</sup> he definitely suggested that as land values are created by society they should be collected by society, although his purpose in such a collection was simply to provide a fund for paying out his proposed doles of ten and fifteen pounds.<sup>50</sup> Paine first drew a picture of civilization which in his opinion, as in that of Rousseau, originated when land ceased to be common property and began to be owned by individuals.

On one side, the spectator is dazzled by splendid appearances; on the other he is shocked by extremes of wretchedness; both of which it [civilization] has erected. The most affluent and the most miserable of the human race are to be found in the countries that are called civilized. . . . Poverty, therefore, is a thing created by that which is called civilized life.<sup>51</sup>

After this exposition of progress with poverty, Paine enters into the discussion of property in land:

It is a position not to be controverted that the earth, in its natural uncultivated state, was and ever would have continued

<sup>49</sup>The complete title of Paine's pamphlet, which was addressed as a proposal to the Legislature and Executive Directory of the French Republic, in 1797, was "Agrarian Justice opposed to Agrarian Law and Agrarian Monopoly, Being a plan for Meliorating the condition of Men by creating in Every Nation a National Fund, To pay every person when arriving at the age of twenty-one years the Sum of fifteen pounds stg. to enable Him or Her to begin the world, and also Ten pounds per annum during Life to Every person now Living of the age of fifty years, and to all others when they shall arrive at that Age, to enable them to live in old age without wretchedness, and to go decently out of the World." (The quotations used here will be taken from Conway's edition of Paine's writings, New York, Putnam's, 1895; Vol. III.)

<sup>50</sup>It was this suggestion of a dole that drew down upon Paine the opposition of Spence, who in the same year added a Preface and Appendix to his "Rights of Infants." The Appendix was a comparison of the specific proposals of Spence and Paine taken section by section. In the Preface, Spence wrote: "At last Mr. Paine has thought fit to own with the Psalmist and with Mr. Locke that 'God has given the earth to the children of men, given it to mankind in common.' The poor beggarly stipends which he would have us accept in lieu of our lordly and just pretensions to the soil of our birth, are so contemptible and insulting that I shall leave them to the scorn of every person conscious of the dignity of his nature." (P. 3.)

<sup>51</sup>Conway's *Paine*, Vol. III, p. 328.

to be the common property of the human race. . . . It is nevertheless true that it is the value of the improvement only, and not the earth itself, that is individual property. Every proprietor, therefore, of cultivated land owes to the community a ground-rent (for I know of no better term to express the idea) for the land which he holds; and it is from this ground-rent that the fund proposed in this plan is to issue. . . .

Man did not make the earth, and though he had a natural right to occupy it he had no right to locate as his property in perpetuity any part of it; neither did the Creator of the earth open a land-office, from which the first title-deeds should issue.<sup>52</sup>

Paine constantly distinguished between the land as property and the improvements as property and held that the only justification for considering land as property was that of the act of cultivation—which was Locke's position.

Cultivation is at least one of the greatest natural improvements ever made by human invention. It has given to the earth a ten-fold value. But the land monopoly that began with it has produced the greatest evil. . . .

There are two kinds of property. Firstly, natural property, or that which comes to us from the Creator of the universe—such as earth, air, water. Secondly, artificial or acquired property—the invention of man.<sup>53</sup>

Despite George's familiarity and sympathy with the doctrines of the Revolutionary thinkers, he does not appear to have been acquainted with this specific proposal of Paine,<sup>54</sup>

<sup>52</sup> Conway's *Paine*, pp. 329-330.

<sup>53</sup> *Ibid.*, pp. 331 and 334. One of the most recent works on Paine, *Thomas Paine, Prophet and Martyr of Democracy*, by Mary Agnes Best (New York, Harcourt Brace, 1927), does not neglect to couple his name with that of George. "The plan he [Paine] worked out [in *Agrarian Justice*] contained the germ of Henry George's *Progress and Poverty*." (P. 360.)

<sup>54</sup> In *The Science of Political Economy*, George does not mention Paine in his brief sketch of the specific anticipators of the single tax; and yet he does include along with the rest Dr. Thomas Chalmers, the Scotch clergyman and divinity professor at the University of Edinburgh, whose *Political Economy*, published in 1832, advocated collecting ground rents for purposes of revenue. Chalmers, however, while he was influenced by the Physiocratic *impôt unique*, was a strict conservative, and advocated such a tax, as did the Physiocrats themselves, because of its benefits to the landed class.

and likewise he does not seem entirely familiar with the land doctrines of Jefferson, who was his recognized idol. However, Jefferson's opinions on the agrarian question were rather vague and fragmentary, and appeared scattered quite haphazardly throughout his letters. Perhaps the most quoted paragraph of his regarding the right to land was from a letter written in Paris to James Madison:<sup>55</sup>

I set out on this ground, which I suppose to be self-evident, that the earth belongs in usufruct to the living; that the dead have neither power nor right over it. . . . This principle that the earth belongs to the living and not to the dead is of very extensive application and consequences in every country . . . and it renders the question of reimbursement a question of generosity and not of right.

And in another letter<sup>56</sup> Jefferson stated that:

Whenever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common stock for men to labour and live on. If, for the encouragement of industry, we allow it to be appropriated, we must take care that other employment be provided for those excluded from the appropriation. If we do not, the fundamental right to labour the earth returns to the unemployed.

The suggestion that a land tax supply the means by which the individual States were to contribute their quotas of revenue to the Federal Government was made by Jefferson in 1797,<sup>57</sup> and in another place<sup>58</sup> he held that our people would continue "independent and moral" and "our Government would re-

<sup>55</sup> September 6, 1789, in Ford's edition of *Jefferson's Writings* (Federal Edition, New York, Putnam's, 1904), Vol. VI, pp. 3-4; see also pp. 4 ff.

<sup>56</sup> To Madison's father; written at Fontainebleau, October 28, 1785; Ford, Vol. VIII, p. 196.

<sup>57</sup> In a letter to Fitzhugh, Ford, Vol. VIII, pp. 298 ff.

<sup>58</sup> In a letter to J. Lithgow, Ford, Vol. IV, pp. 86-87, n. This contains the characteristic Jeffersonian conception that American culture must remain rural.

main virtuous" only if "there were vacant lands in any part of America."

More striking, however, than these somewhat indistinct and casual suggestions of Paine and Jefferson on the land question, was the almost unknown work of a Wisconsin tailor, Edwin Burgess, who, in a series of letters written to the *Racine Advocate* in 1859-60,<sup>59</sup> proposed the identical scheme of George. In Letter IX of the series, Burgess wrote:

. . . I say put all the taxes on the land, and repeal your stamp duties, your duties on imports, your inquisitorial excise laws, your robbing legacy duties, which tax nothing for the inheritance of land, because the land monopolists made the laws. Put all the taxes on the land, and then the landlord's rent will pay the cost of government, and keep the land at the lowest price forever; then cultivation, production and plenty will prevail, and much of the manufactures which you are now exporting will be needed at home; your home market will be vastly increased, you will be prosperous and permanent customers to each other, your poor laws will be diminished, your credit will not be needed; then poverty, beggary and a land-robbing aristocracy and a tithe-eating Church and State priesthood will soon be among the things that were.

Then free trade, by removing the necessity for standing armies and navies, would open the reign of peace on earth and good will to all mankind; then arts, industry, commerce and morals would be devoted to the promotion of human good, the supplying permanently and bountifully our wants, and elevating our conditions physically, mentally, morally and socially; all nations would become as one family, in which a wrong done to one would be re-sented by all. The universal brotherhood of man would be realized, and the earth in its fruitfulness, bloom and beauty would become the Eden home of the free, the noble and the good.

Here, from single tax to free trade, from attacks on land monopolists to Utopia, we have another Henry George. Burgess says in another place:

<sup>59</sup> These letters were later printed by W. S. Buffham of Racine as *The Edwin Burgess Letters on Taxation*; there is no date to this edition.

Were all the taxes on the land, and the people's land free, then the hitherto landless could soon build their own homes on their own land, and raise all they needed to consume or exchange, and no longer need the land, house, or capital of others; and then rent, interest, and even usury would cease for want of poverty to sustain them, for the curse of land monopoly being removed, the effect would cease with the cause. Thus would the happiness of mankind be immeasurably increased, and misery be proportionately diminished; then would the earth be redeemed from the giant sin of land robbery, and the Paradise of the present or future be far above that of the past.<sup>60</sup>

George later became acquainted with the work of Burgess and in the *Standard* of August 5, 1891, he quoted a letter<sup>61</sup> of the Wisconsin man which contained a brief statement of his suggestions:

I want to say a few words on the best means of raising revenue or taxes so as to prevent land monopoly. I know not what are your views on the subject, but should like to have you inquire whether raising all the taxes off the land in proportion to its market value would not produce the greatest good to mankind with the least evil, of any means of raising revenue. Taxing personal property has a tendency to limit its use by increasing its price, and the consequent difficulty of obtaining it.

At the same time that Burgess was writing on land monopoly and land taxation, another rural American, Gerrit Smith, an anti-slavery Congressman<sup>62</sup> from Peterboro, New

<sup>60</sup> *The Edwin Burgess Letters on Taxation*, p. 14.

<sup>61</sup> This was an earlier letter of Burgess, written in 1848, to an Eastern newspaper with the nautical title of the Portland (Maine) *Pleasure Boat*, "J. Hacker, Owner, Master and Crew"; the issue in which the letter appeared was "Excursion No. 45, Clearance No. 3."

<sup>62</sup> Smith had been elected as an independent on a platform which included "the right of the soil is as natural and equal as the right to light and air" and "the doctrine of free trade is the necessary outgrowth of the doctrine of human brotherhood; and that to impose restrictions on commerce is to build up unnatural and sinful barriers across that brotherhood." He was a large landholder, his father having been associated with John Jacob Astor, but during his life Smith distributed thousands of acres of his property to landless persons throughout the State. For a discussion of



York, introduced into the House of Representatives, February 21, 1854, a set of resolutions on the Homestead Bill which read:

Whereas all the members of the human family, notwithstanding all contrary enactments and arrangements, have, at all times, and in all circumstances, as equal a right to the soil as to the light and air, because as equal a natural need of the one as of the other;

And whereas this invariably equal right to the soil leaves no room to buy or sell or give it away; Therefore,

1. Resolved, That no bill or proposition should find any favor with Congress which implies the right of Congress to dispose of the public lands, or any part of them, either by sale or gift.

2. Resolved, That the duty of civil government in regard to public lands, and, indeed, to all lands, is but to regulate the occupation of them; and that this regulation should ever proceed upon the principle that the right of all persons to the soil—to the great source of human subsistence—is as equal, as inherent, and as sacred, as the right to life itself.

3. Resolved, That government will have done but little toward securing the equal right to land, until it shall have made essential to the validity of every claim to land both the fact that it is actually possessed, and the fact that it does not exceed in quantity the maximum, which it is the duty of government to prescribe.

4. Resolved, That it is not because land monopoly is the most efficient cause of inordinate and tyrannical riches on the one hand, and of dependent and abject poverty on the other; and that it is not because it is, therefore, the most efficient cause of that inequality of conditions, so well-nigh fatal to the spread of Democracy and Christianity, that government is called upon to abolish it; but it is because the right which this mighty agent of evil violates and tramples under foot, is among those clear, certain, essential, natural rights which it is the province of government to protect at all hazards and irrespective of all consequences.

In his speech on the resolutions, Smith declared:

Smith's life and work see a pamphlet by William Lloyd Garrison, the younger, *Gerrit Smith on Land Monopoly* (Chicago, Public Publishing Co., 1906).

I admit that there are things in which a man can have absolute property, and which without qualification or restriction he can buy, or sell, or bequeath, at his pleasure. But I deny that the soil is among these things. What a man produces from the soil he has an absolute right to. He may abuse the right. It nevertheless remains. But no such right can he have in the soil itself. If he could, he might monopolize it. If very rich, he might purchase a township or county; and in connection with half a dozen other monopolists, he might come to obtain all the lands of a State or a nation. Their occupants might be compelled to leave them and to starve, and the lands might be converted into parks and hunting grounds for the enjoyment of the aristocracy. Moreover, if this could be done in the case of a State or nation, why could it not be done in the case of the whole earth? . . .

It is a very glaring assumption on the part of one generation to control the distribution and enjoyment of natural rights for another generation. . . . A much happier world will this be when land monopoly shall cease; when his needed portion of the soil shall be accorded to every person; when it shall no more be bought and sold; when, like salvation, it shall be "without money and without price"; when, in a word, it shall be free, even as God made it free. . . . So long, then, as the masses are robbed by land monopoly, the world will be cursed with riches and poverty.<sup>63</sup>

Smith, it is true, did not conceive of any single tax plan to break this land monopoly, but confined his attention chiefly to the public domain. His attack upon the abuses and social evils resulting from the private ownership of land, however, certainly connects his thought with that of George.

#### SPINOZA AND LOCKE

It is a very, very far cry from these frontier minds to the genius of a Spinoza, but merely for the purpose of illustrating the strangeness of the backgrounds against which this conception of land taxation has displayed itself, there is this sentence from the *Tractatus Theologico-Politicus*:

<sup>63</sup> Garrison's pamphlet, pp. 15, 18, 20-21.

The fields, and the whole soil, and, if it can be managed, the houses, should be public property, that is, the property of him who holds the right of the commonwealth; and let him let them at a yearly rent to the citizens, whether townsmen or countrymen, and with this exception let them all be free, or exempt from every kind of tax in time of peace.<sup>64</sup>

This is obviously but a casual and isolated expression, taken from a more elaborate political program, and, of course, there is no intention here of placing upon Spinoza the burden of having been an anticipator of a nineteenth century American economist (although there is scarcely any concept of philosophy that has not been connected in some way with Spinoza's catholic doctrines), yet it does show that the germ of this thought has flourished in many cultures.<sup>65</sup>

Locke, perhaps, is more easily coupled with the political and economic interest in landed property, a concern that manifested itself in his proposed charters for American colonies. His ideas on the question of land ownership, how-

<sup>64</sup> Chap. VI, Sec. 12.

<sup>65</sup> A reading of Milliken's essay (*op. cit.*) will give a fairly complete idea of the scattered fragments of thought that have appeared on this question of a land tax. We find, for example, that an interest in the land problem was shown by Savonarola (see Villari's *Life*, Vol. 1, pp. 275-277) and by Dio Chrysostom (see *The Hunter of Eubœa*, Winans's trans. in *Greek and Roman Classics*, Dr. Marion Mills Miller, ed., Vol. VII, p. 302). In mediæval China there are records of the same thought. In *The Economic Principles of Confucius*, by Dr. Chen Huan-Chang (New York, 1911, *Columbia Studies in History, Economics and Public Law*, Vols. 44-45), are these accounts of land taxes: "Yang Yen was a great reformer. He abolished all other direct taxes, and reduced them to the land tax only. . . . This was the first time that the system of 'single whip' was originated. . . . The only basis of direct taxation was the land, not the person. It was simple and uniform. The officials could not practice corruption, nor could the people evade their dues." (Vol. II of the separately published ed., p. 652); and "In 1581 A. D. the system of 'single whip' was universally established. The total amount of land tax and poll tax of each district was fixed, and the poll tax was equally distributed to the land. . . . All the different kinds of contributions, tribute, etc., were simplified into a single item, and they were supplied by the officials with the money of the land tax. Land was the only object of direct taxation and was taxed according to acreage." (Vol. II, p. 656.) A list of other isolated quotations from many diverse, if partial, anticipators of George, may be found in a series of articles by E. H. Crosby, "The Earth-for-All Calendar" in the publication, *The National Single Taxer* (New York, each month of 1900).

ever, appear chiefly in the treatise on *Civil Government* and in *Some Considerations of the Consequences of the Lowering of Interest*.<sup>66</sup> In the latter essay Locke anticipates the doctrine of the Physiocrats, namely, that all taxes come ultimately out of the land, and he disparages the idea that commodities can be made to bear the burden of revenue:

If, therefore, the laying of taxes upon commodities does, as it is evident, affect the land that is out at a rack-rent, it is plain it does equally affect all the other land in England, too, and the gentry will, but the worst say, increase their own charges, that is, by lessening the yearly value of their estates, if they hope to ease their land, by charging commodities. It is in vain, in a country whose great fund is land, to hope to lay the public charge of the government on anything else; there at last it will terminate. The merchant (do what you can) will not bear it, the labourer cannot, and therefore the landholder must; and whether he were best do it, by laying it directly where it will at last settle, or by letting it come to him by the sinkings of his rents, which, when they are once fallen, every one knows are not easily raised again, let him consider.<sup>67</sup>

The problem of property in land is treated most extensively by Locke in Chapter V, "On Property," of his *Civil Government*. He carefully distinguishes, as have all thinkers on the question, between the land itself as property and the fruits of labor upon land as property, declaring that the first is a common heritage to all men, and that the second constitutes the only legitimate basis of property rights—the well-known labor theory of property. Regarding the land as property in common, Locke states:

<sup>66</sup> The edition used here is the ten volume collection of Locke's *Works*, printed in London in 1823. Both *Civil Government* and the interest letter are in Vol. V. The *Civil Government* is the second of two treatises on government, the first being directed against the monarchic proposals of Filmer. The essay on interest first appeared as a letter to a member of Parliament in 1691. In one section, Locke discusses the distinction between interest and rent, showing that one does not depend upon the other, but both upon the law of supply and demand. (Pp. 32-40.)

<sup>67</sup> Vol. V, p. 60.

Whether we consider natural reason, which tells us that men, being once born, have a right to their preservation, and consequently to meat and drink, and such other things as nature affords for their subsistence; or revelation, which gives us an account of those grants God made of the world to Adam, and to Noah, and his sons; it is very clear, that God, as King David says, Psal. cxv, 16, "has given the earth to the children of men"; given it to mankind in common. . . . I shall endeavour to show how men might come to have a property in several parts of that which God gave to mankind in common, and that without any express compact of all the commoners.<sup>68</sup>

The foundation of private property he then shows to be that of human labor:

Though the earth, and all inferior creatures, be common to all men, yet every man has a property in his own person; this nobody has any right to but himself. The labour of his body, and the works of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature has provided, and left in it, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property. . . . For this labour being the unquestionable property of the labourer, no man but he can have a right to what that is once joined to, at least where there is enough, and as good, left in common for others.<sup>69</sup>

The extent of private property in land, however, he holds must be limited:

But the chief matter of property being now not the fruits of the earth, and the beasts that subsist on it, but the earth itself; as that which takes in, and carries with it all the rest; I think it is plain, that property in that, too, is acquired as the former. As much land as a man tills, plants, improves, cultivates, and can use the product of, so much is his property. . . . God, when he gave the world in common to all mankind, commanded man also to labour, and the penury of his condition required it of him. God and his reason commanded him to subdue the earth, i. e., improve it for the benefit of life, and therein lay out something upon it that was his own, his labour. . . . The measure of property nature has

<sup>68</sup> *Works*, Vol. V, Sec. 25, pp. 352-353.

<sup>69</sup> *Ibid.*, Sec. 27, pp. 353-354.

well set by the extent of men's labour and the conveniences of life.<sup>70</sup>

Making land property by means of labor can injure no one, according to Locke, for land in use is always of benefit; in this section he appears to suggest that there is no injustice so long as there is land left which is "as good"—an intimation of Ricardo's "marginal land."

Nor was this appropriation of any parcel of land, by improving it, any prejudice to any other man, since there was still enough, and as good left; and more than the yet unprovided could use. So that, in effect, there was never the less left for others because of his enclosure for himself; for he that leaves as much as another can make use of, does as good as take nothing at all. Nobody could think himself injured by the drinking of another man, though he took a good draught, who had a whole river of the same water left to quench his own thirst; and the case of land and water, where there is enough of both, is perfectly the same. . . . To which let me add, that he who appropriates land to himself by his labour, does not lessen, but increases the common stock of mankind; for the provisions serving to the support of human life, produced by one acre of enclosed and cultivated land are (to speak much within compass) ten times more than those which are yielded by an acre of land of an equal richness laying waste in common. And therefore he that encloses land, and has a greater plenty of the conveniences of life from ten acres, than he could have from an hundred left to nature, may truly be said to give ninety acres to mankind. . . .<sup>71</sup>

Locke undoubtedly had no intention of definitely attacking the existing land system of England, although his insistence upon land being improved and his belief that "nature has well set" the extent of private estates, show little sympathy with the traditions of the landed gentry.<sup>72</sup> His

<sup>70</sup> *Ibid.*, Secs. 32 and 36, pp. 356, 357.

<sup>71</sup> *Ibid.*, Secs. 33 and 37, pp. 356-357, 359.

<sup>72</sup> In reference to the communistic land agitation in England during the time of Cromwell, led by the mystic Gerrard Winstanley, see the interesting account given in *The Digger Movement in the Days of the Commonwealth*, by Lewis H. Berens (London, Simpkin Marshall, 1906).

thoughts lay rather in tracing the development and equity of property in land. The recognition, however, of man's right to the use of the earth, based upon, what for Locke was a matter of "natural reason," man's right <sup>73</sup> to his person and to his labor, has made him an anticipator of George's most fundamental doctrine.

#### THE CLASSICAL ECONOMISTS

George's relation to the great economists of England is an interesting example of what might be designated as a variation of the hypothetical method. He turned his attention to the doctrines of traditional political economy only when he had already formed a theory, and it was to verify and to expand his hypothesis that he consulted the writings of the classical economists. With the solution that had thrust itself forward as a revealed expression of truth still fresh before him, he appealed for confirmation to the English writers, and in their work found much that supported his contentions and also many thoughts which he could not accept. Indeed, this recourse to academic political economy was the only path open for George, for at this early stage of his thought, experimentation hardly offered itself as a means of proof, and he felt that he had already considered the available factual material. Moreover, he realized that, whereas his own thoughts on the land question had been formed before he had "heard of the Physiocrats or even read a line of Adam Smith," the development and elaboration of his conceptions demanded a thorough review of the prevailing economic doctrines, and accordingly he devoted himself to a study of British political economy.<sup>74</sup>

<sup>73</sup> It is not necessary here to go into the part played by the whole doctrine of "natural rights" which was so integrally and fundamentally connected with all of Lockian economic and political philosophy.

<sup>74</sup> See preface to the fourth edition of *Progress and Poverty*.

In *Our Land and Land Policy*, which first presented George's views on property in land, it is evident that the economists whom he briefly mentions, Mill and Ricardo and Malthus, were little more to him than names,<sup>75</sup> but *Progress and Poverty* shows a detailed and critical knowledge of the work of all the English economists with the possible exception of James Mill. John Stuart Mill, to whom as an authority George had turned when he first became interested in political economy,<sup>76</sup> is recognized in *Progress and Poverty* as an

<sup>75</sup> The only mention of the British economists in the book, which was written in 1871, is in these passages: "According to the doctrine of rent advanced by Ricardo and Malthus and generally accepted by the best authorities on political economy, the value of land should be determined by the advantages which it possesses over the least advantageous land in use." (*Works*, Vol. VIII, p. 82.) Speaking of the justice of taking land values in taxation, George wrote: "It is this consideration which makes men like John Stuart Mill shrink from the practical application of deductions from their own doctrines, and propose that in resuming their ownership of the land of England, the people of England shall pay its present proprietors not only its actual value, but also the present value of its prospective increase in value." (Pp. 110-111.) On pages 105-106, George also shows that he had heard of Smith's "canons of taxation," and again in speaking of land values he declares, "I mean what I believe is sometimes called in England the unearned value of land." (P. 106.) There is no further mention of classical political economy in the work.

<sup>76</sup> In *The Science of Political Economy* George wrote concerning the drafting of his article (on Chinese immigration): "Wishing to know what political economy had to say about the cause of wages, I went to the Philadelphia Library, looked over John Stuart Mill's *Political Economy*, and accepting his view without question, based my article on it." (Pp. 200-201.) This is the letter that Mill wrote to George acknowledging the latter's article on Chinese immigration (from Avignon, France, October 23, 1869; see *supra*, pp. 40-41): "The subject on which you have asked my opinion involves two of the most difficult and embarrassing questions of political morality—the extent and limits of the right of those who have first taken possession of the unoccupied portion of the earth's surface to exclude the remainder of mankind from inhabiting it, and the means which can be legitimately used by the more improved branches of the human species to protect themselves from being hurtfully encroached upon by those of a lower grade in civilisation. The Chinese immigration into America raises both of these questions. To furnish a general answer to either of them would be a most arduous undertaking.

"Concerning the purely economic view of the subject, I entirely agree with you; and it could be hardly better stated and argued than it is in your article in the *New York Tribune*. That the Chinese immigration, if it attains great dimensions, must be economically injurious to the mass of the present population; that it must diminish their wages, and reduce them to a lower stage of physical comfort and well-being, I have no manner of doubt. Nothing can be more fallacious than the attempts to make out that thus to lower



anticipator of some of the most important thoughts in the book, but George appears to deal a little harshly with what he regards as some of Mill's errors, especially his acceptance of Malthusianism and his beliefs that land constituted a part of national wealth and that wages were paid out of capital. Perhaps George felt that Mill's suggestion that only the future "unearned increment" of land values be collected by the government was a half-hearted acceptance of a great truth, and George's wrath was always great against those who seemed unwilling to grasp the complete significance of an idea." But if Mill appeared a bit too timid for George, certainly the English landlords did not share that opinion,

wages is the way to raise them, or that there is any compensation, in an economical point of view, to those whose labour is displaced, or who are obliged to work for a greatly reduced remuneration. On general principles this state of things, were it sure to continue, would justify the exclusion of the immigrants on the ground that, with their habits in respect to population, only a temporary good is done to the Chinese people by admitting part of their surplus numbers, while a permanent harm is done to a more civilised and improved portion of mankind.

"But there is much also to be said on the other side. Is it justifiable to assume that the character and habits of the Chinese are insusceptible of improvement? The institutions of the United States are the most potent means that have yet existed for spreading the most important elements of civilisation down to the poorest and most ignorant of the labouring masses. If your Chinese child were compulsorily brought under your school system, or under a still more effective one if possible, and kept under it for a sufficient number of years, would not the Chinese population be in time raised to the level of the American?" (Then follow some passages in which Mill points out that Chinese immigration has been so small that there seems little danger of a serious challenge of the American standard of living, and in which he attacks also the practice of contract Chinese labor.) The letter concludes with this statement: "The opportunity given to numerous Chinese of becoming familiar with better and more civilized habits of life is one of the best chances that can be opened up for the improvement of the Chinese in their own country, and one which it does not seem to me that it would be right to withhold from them."

The letter is typical of Mill's never-failing gracious attitude, and it illustrates some of his most pronounced ideas on education. Also, it seems a bit strange to view Mill questioning and George defending, at least in this one case, "the right of those who have first taken possession of the unoccupied portion of the earth's surface to exclude the remainder of mankind from inhabiting it." The present writer does not know of any of the more mature expressions of George on the Chinese problem.

"George, however, never placed Mill in the same class with Spencer, whom he regarded as an apostate; Mill, he wrote, "seems to me a very type of intellectual honesty." (*The Science of Political Economy*, p. 137.)

for Mill's constant attacks upon the "unearned increment," together with his work in helping to found the Land Tenure Reform Association, made him always an object of polite suspicion.

Regarding the increase in land values which he termed the "unearned increment," Mill wrote:

Suppose that there is a kind of income which constantly tends to increase, without any exertion or sacrifice on the part of the owners . . . It would be no violation of the principles on which private property is grounded, if the State should appropriate this increase of wealth, or part of it, as it arises. This would not properly be taking anything from anybody; it would merely be applying an accession of wealth, created by circumstances, to the benefit of society, instead of allowing it to become an unearned appendage to the riches of a particular class. Now this is actually the case with rent. The ordinary progress of a society which increases in wealth is at all times tending to augment the incomes of landlords; to give them both a greater amount and a greater proportion of the wealth of the community independently of any trouble or outlay incurred by themselves. They grow richer, as it were, in their sleep, without working, risking, or economizing. What claims have they on the general principle of social justice to this accession of riches? In what would they have been wronged if society had from the beginning reserved the right of taxing the spontaneous increase of rent, to the highest amount required by financial exigencies?<sup>78</sup>

Mill, of course, goes on to say that only the future increase of rent should be collected by the State, and he also questions whether this right of land value taxation has not been waived by the government because it has not been exercised. Since land values have not been collected as revenue, he believes that a tacit justification has been given to the private retention of the unearned increment and any change might prove an injustice to the landed class. But despite Mill's respect for private property and the intense sincerity

<sup>78</sup> *Principles of Political Economy*, Book V, Chap. II, Sec. 5.

with which he eschewed any proposal that might result in an unjust treatment of a single class, he carefully distinguishes property in land from other property, and declares, as did Locke, that the only justification for landed property is that of usage.

It is seen that they [the reasons for private property in land] are only valid in so far as the proprietor of land is its improver. Whenever, in any country, the proprietor, generally speaking, ceases to be the improver, political economy has nothing to say in defense of landed property as there established. In no sound theory of private property was it ever contemplated that the proprietor of land should be merely a sinecurist quartered on it. . . . Landed property in England is thus very far from completely fulfilling the conditions which render its existence economically justifiable. But if insufficiently realized even in England, in Ireland those conditions are not complied with at all. With individual exceptions . . . the owners of Irish estates do nothing for the land but drain it of its produce. . . . When the "sacredness of property" is talked of, it should always be remembered that any such sacredness does not belong in the same degree to landed property. No man made the land. It is the original inheritance of the whole species. Its appropriation is wholly a question of general expediency. When private property in land is not expedient, it is unjust. . . . It is some hardship to be born into the world and to find all nature's gifts previously engrossed and no place left for the newcomer. . . . Landed property is felt even by those most tenacious of its rights to be a different thing from other property. . . . The claim of the landowners to the land is altogether subordinate to the general policy of the State. The principle of property gives men no right to the land but only a right to compensation for whatever portion of their interest in the land it may be the policy of the State to deprive them of. . . . To me it seems almost an axiom that property in land should be interpreted strictly and that the balance in all cases of doubt should incline against the proprietor. The reverse is the case with property in movable goods and in all things the product of labour; over them, the owner's power both of use and of exclusion should be absolute except where positive evil to others would result from it. . . . To be allowed any exclusive right at all over a portion of the common inheritance,

while there are others who have no portion, is already a privilege. No quantity of movable goods which a person can acquire by labour prevents others from acquiring the like by the same means; but from the very nature of the case, whoever owns land keeps others out of the enjoyment of it. . . . When land is not intended to be cultivated, no good reason can in general be given for its being private property at all.<sup>79</sup>

Mill's ideas in political economy perhaps may be traced to the days when, as a precocious youngster, he helped his father write the *Elements of Political Economy*. Certainly on this question of a tax upon land values the conceptions of James Mill, with whose work George seemed unfamiliar, were a quite accurate anticipation of the suggestions that are more commonly attributed to his son. In the work of both the Mills there is not only the same specific proposal for the absorbing of increased land values through the process of taxation, but also the same insistence upon the necessity for using the land, and the same distinction made between the landowner as cultivator and the landowner as speculator. There is also the same caution against the suggesting of any possible injustice; James Mill, for example, holding that whereas in a new country before the land has become institutionalized as private property, "there is a peculiar advantage in preserving the rent of land as a fund for supplying the exigencies of the State,"<sup>80</sup> in an older country, where landed property has been established, only the increased value of land should be so collected in taxation. The same caution is present also with both the Mills in the matter of compensating the land-

<sup>79</sup> *Principles of Political Economy*, Book II, Chap. II, Sec. 6. See also essays on landed property in *Dissertations and Discussions*.

<sup>80</sup> *Elements of Political Economy* (3rd ed., London, 1826; Sec. 5 on Taxes on Rent, p. 249). He continues by showing that if the whole rent of land were collected in a country in which private property in land had already been accepted, "it would be partial and unequal taxation, laying the burden of the State upon one set of individuals, and exempting the rest. It is a measure, therefore, never to be thought of by any government which would regulate its proceedings by the principles of justice." (Pp. 250-251.)

owner for any losses. (George was very critical of the compensation suggestions of John Stuart Mill.)

Regarding the phenomenon of economic rent and the absorbing of its increase by taxation, James Mill states:

It is certain that as population increases, and as capital is applied with less and less productive power to the land, a greater and a greater share of the whole of the net produce of the country accrues as rent, while the profits of stock proportionately decrease. This continual increase, arising from the circumstances of the community, and from nothing in which the landholders themselves have any peculiar share, does seem a fund no less peculiarly fitted for appropriation to the purposes of the State, than the whole of the rent in a country where land had never been appropriated. While the original rent of the landholder, that upon which alone all his arrangements . . . must be framed, is secured from any peculiar burden, he can have no reason to complain should a new source of income which costs him nothing be appropriated to the service of the State.<sup>81</sup>

In another passage he mentions the significant distinction between taxes on rent and taxes on production:

It is sufficiently obvious that the share of the rent of land, which may be taken to defray the expenses of government, does not affect the industry of the country. The cultivation of the land depends upon the capitalists to whom the appropriate motive is furnished when he receives the ordinary profits of stock. To him it is a matter of perfect indifference whether he pays the surplus in the shape of rent to an individual proprietor or in that of revenue to a government collector.<sup>82</sup>

Although George was not acquainted with the work of James Mill, and was far from completely sympathetic to the

<sup>81</sup> *Elements of Political Economy*, pp. 252-253. This passage is interesting not only in showing the phraseology of Smith and the Physiocrats, but also in stating, in a degree, the "law of rent" of Ricardo. Mill wrote in 1821. In Chap. II, Sec. 1, he discusses the problem of the "extra doses of capital" that must be used upon inferior land.

<sup>82</sup> *Ibid.*, opening lines of Sec. 5 on "Taxes on Rent."

suggestions of John Stuart Mill, yet he realized the significance that the proposal to collect the future unearned increment of land had for his own conceptions, and in *Progress and Poverty* he quotes Mill, the son, as a partial indorser of the idea of land value taxation,<sup>83</sup> although he felt that Mill "never saw the true harmony of economic laws, nor realized how from the one great fundamental wrong flow want and misery, and vice and shame."<sup>84</sup> George believed that Mill was too entangled in the web of Malthusianism to realize that want was not due to the "niggardliness of nature" and "thus to him the nationalization of land seemed comparatively a little thing, that could accomplish nothing toward the eradication of pauperism and the abolition of want."<sup>85</sup>

Much of the work of Adam Smith on rent and the relation of rent to wages appeared to George to have this same tendency to fall short of fundamentals.<sup>86</sup> There are, of course, in Smith many passages in which he all but states the very proposal of George, and there is expressed likewise the definite belief that rent is an unearned income that arises and increases without any effort on the part of the landowner, and that therefore it should be used as a source for taxation. In the opening words of his chapter on the wages of labor, Smith states:

The produce of labour constitutes the natural recompense or wages of labour. In that original state of things, which precedes both the appropriation of land and the accumulation of stock, the whole produce of labour belongs to the labourer. He has neither landlord nor master to share with. . . . As soon as the land becomes private property, the landlord demands a share of almost

<sup>83</sup> *Progress and Poverty*, pp. 420-421.

<sup>84</sup> *Ibid.*, p. 361.

<sup>85</sup> *Ibid.* But Mill, if any man, was certainly concerned with the "eradication of pauperism and the abolition of want."

<sup>86</sup> George, however, was not entirely familiar with the work of Smith at the time of writing *Progress and Poverty*, for in August, 1883, he wrote to a friend that he had just completed his first thorough reading of the *Wealth of Nations*.

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all the produce which the labourer can either raise or collect from it. His rent makes the first deduction from the produce of the labour which is employed upon land.<sup>87</sup>

In reference to the nature of rent, there is this:

Every improvement in the circumstances of the society tends either directly or indirectly to raise the real rent of land, to increase the real wealth of the landlord, his power of purchasing the labour, or the produce of the labour of other people. . . . The real value of the landlord's share, his real command of the labour of other people, not only rises with the real value of the produce, but the proportion of his share to the whole produce rises with it.<sup>88</sup>

In the section devoted to taxes upon rent, Smith, as did the Mills later, holds that:

Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the State, no discouragement will thereby be given to any sort of industry. . . . Ground-rents, and the ordinary rent of land, are therefore, perhaps, the species of revenue which can best bear to have a peculiar tax imposed upon them. Ground-rents seem in this respect a more proper subject of peculiar taxation than even the ordinary rent of land. . . . Ground-rents (economic rent), so far as they exceed the ordinary rent of land, are altogether owing to the good government of the sovereign. . . . Nothing can be more reasonable than that a fund which owes its existence to the good government of the State should be taxed peculiarly, or should contribute something more than the greater part of other funds towards the support of that government.<sup>89</sup>

While the Mills and Smith anticipated George in many of his basic assumptions, it is with David Ricardo that his work

<sup>87</sup> *Wealth of Nations* (McCulloch ed. of 1850), Book I, Chap. VIII, p. 29.

<sup>88</sup> *Ibid.*, Book I, Chap. II, p. 115.

<sup>89</sup> *Ibid.*, Book V, Chap. II, Art. 1, pp. 380-381.

is more closely and more functionally connected; the Ricardian "law of rent"<sup>90</sup> may be taken as perhaps the most important foundation stone of George's political economy. Indeed, Professor Young states that "George's doctrine that 'rent or land value does not arise from the productiveness or utility of the land,' that 'it in no wise represents any help or advantage given to production,' looks remarkably like a corollary of the ordinary statements of the famous 'law of rent'";<sup>91</sup> and that was precisely what George believed—that his work was a necessary and inevitable corollary of the law of rent, and that it carried one step further the reasoning of Ricardo and demonstrated that a correct statement of the law of rent meant the removal of all justification for the private appropriation of rent.<sup>92</sup> Moreover, George felt that he had correlated the law of rent with the laws of wages and of interest, believing, as did Adam Smith, that rent is directly paid out of the produce of labor, that "wages and interest do not depend upon the produce of labor and capital, but

<sup>90</sup> Ricardo formulated but did not "discover" the law of rent. The credit for such discovery is usually assigned to James Anderson in his 1777 tract, "An Inquiry into the Nature of the Corn Laws, with a View to the Corn Bill proposed for Scotland" (see especially McCulloch's ed. of the *Wealth of Nations*, p. 453). There was a group of economic writers in England who definitely anticipated the statement of the Ricardian theory of rent, men like Rooke, Torrens, West, Malthus himself, and several others who, particularly in the years 1814-1815, were interested in this phase of economic speculation. (For these anticipators of Ricardo see Professor Seligman's important essay, "Some Neglected British Economists," which appeared in *The Economic Journal*, Vol. XIII, Nos. 51 and 52, September and December, 1903.) The first statement by Ricardo of the law of rent was in his essay "On the Influence of a Low Price of Corn on the Profits of Stock," of 1817. For his complete formulation of the law see his *Principles of Political Economy and Taxation*, Chap. II, on Rent.

<sup>91</sup> *The Single Tax Movement in the United States*, p. 21.

<sup>92</sup> "Mr. George has performed upon the economical system of Ricardo an operation similar to that which Hume performed on the philosophical system of Berkeley, when, following the method by which Berkeley had eliminated matter, he likewise eliminated mind." Robert Scott Moffat in *Henry George the Orthodox* (London, Remington, 1885, p. 213); a very interesting account of the reaction to *Progress and Poverty* by an economist who clearly saw George's direct relation to the classical school of English economy. (For a discussion of the modern qualifications of Ricardo, particularly those of J. B. Clarke, see *supra*, p. 111, n. 39.)



upon what is left after rent is taken out; or, upon the produce which they could obtain without paying rent—that is, from the poorest land in use. And hence, no matter what be the increase in productive power, if the increase in rent keeps pace with it, neither wages nor interest can increase.”<sup>93</sup> Compare this with Ricardo’s statement that “in a progressive country . . . the landlord not only obtains a greater produce but a larger share. . . . The interest of the landlord is always opposed to the interest of every other class in the community. His situation is never so prosperous as when food is scarce and dear.”<sup>94</sup>

George’s statement of the law of rent was that “the rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use,” which is expanded into:

The ownership of a natural agent of production will give the power of appropriating so much of the wealth produced by the exertion of labor and capital upon it as exceeds the return which the same application of labor and capital could secure in the least productive occupation in which they freely engage.”<sup>95</sup>

“Ever since the time of Ricardo,” George states, “the law itself has been clearly apprehended and fully recognized. But not so its corollaries. Plain as they are, the accepted doctrine of wages (i. e., that wages are drawn from the stock of capital) . . . has hitherto prevented their recognition.”<sup>96</sup> And therefore George sought to reinterpret the Ricardian law of rent and to add those corollaries which had not been recognized.<sup>97</sup>

While George realized the intimate relation that his work

<sup>93</sup> *Progress and Poverty*, p. 171.

<sup>94</sup> In the essay on the price of corn (McCulloch’s ed. of Ricardo’s works, 1871; pp. 375, 378).

<sup>95</sup> *Progress and Poverty*, p. 169.

<sup>96</sup> *Ibid.*, p. 170.

<sup>97</sup> See *supra*, pp. 111 ff.

had with the formulations of Ricardo, he was also aware that his knowledge of the English economist's ideas had followed the fashioning of his own proposals, and that there was not, as some writers believe,<sup>98</sup> any conscious dependence of one upon the other. Certainly the suggestions of the English economists, and especially the rent concepts of Ricardo, prepared the way for the discussion and often the acceptance of George's system, but that was solely because his work fitted in with much of the thought of the classical economists, rather than that it was any direct outgrowth from it. Perhaps George was the legitimate developer of Ricardo,<sup>99</sup> but that must be understood in an objective historical sense and not in one of personal dependence. The fact that George did not bring any new ideas into political economy and that nearly all of his conceptions had been anticipated by the classical economists,<sup>100</sup> does not lessen the importance that his discoveries had in the development of his own thought, and it does not explain away the real significance of his

<sup>98</sup> Cannan, for example, holds that "the movement for 'nationalizing' land without compensation to present owners, on which Mr. Henry George and others have wasted immense energy, would probably never have been heard of, if the Ricardian economists had not represented rent as a sort of vampire which continually engrosses a larger and larger share of the produce." (*Theories of Production and Distribution*, London, 1903, p. 393.) While it is true that for Ricardians "the interest of the landlord is always opposed to the interest of every other class in the community," yet Ricardo himself was not hostile to the landed class.

<sup>99</sup> "I hope to show," wrote Moffat, "that Mr. George in his process of reasoning and construction of dogma, is a legitimate follower of the English master of economical method (Ricardo)." (*Henry George the Orthodox*, p. 4.)

<sup>100</sup> As to the work of some of the other classical economists: Cairnes was mentioned by George in *Progress and Poverty* only in connection with his discussion of the interdependence of wages and interest (pp. 20-22). George was apparently unaware of Cairnes's views on the land question, especially as they were expressed in the essay on "Political Economy and Land," written in 1870. Cairnes wrote: "Sustained by some of the greatest names—I will say by every name of the first rank in Political Economy, from Turgot and Adam Smith to Mill—I hold that the land of a country presents conditions which separate it economically from the great mass of the other objects of wealth." (*Essays in Political Economy, Theoretical and Applied*, London, 1873, p. 189.) In reference to George's connection with Malthus, see *supra*, pp. 86-87.

work, which was much more than his rediscovery and revitalizing of already promulgated doctrines with the force of sincerity and eloquence.<sup>101</sup> George's contribution to the history of political economy lay rather in his attempt to fuse all the facts of economic science into a "true harmony of economic laws." He felt that the English economists had failed to do this. Their seeming inability to reach the systematized and complete statement of their own suggestions, or to correlate their isolated intimations, was, for him, an indication

<sup>101</sup> It was the power of this sincerity, and the obvious success George had in popularizing economic doctrine, that impressed J. A. Hobson, who wrote: "But we must recognize at the outset that the substance of George's land theory and policy was nothing new; he is not to be looked upon as a fanatic, who conjured out of his imagination, or his private experience, some brand-new doctrine which he sought to impose upon the popular mind. Those who would thus conceive him are forgetful or ignorant of the tenor of the peculiarly English science of Political Economy, which, from John Locke to J. S. Mill, may be regarded as continually engaged in undermining the ideas of justice and social utility attaching to private property in land. . . . George did not even originate the policy of the 'single tax' on land, most distinctively associated with his name. The small step from the Physiocratic doctrine that all taxation was, in fact, borne by rent to the position that all taxation ought to be so borne, was taken by more than one would-be reformer of this century. The real importance of Henry George is derived from the fact that he was able to drive an abstract notion, that of economic rent, into the minds of a large number of 'practical' men, and so generate therefrom a social movement. It must be understood that the minds into which George dropped his seed were, for the most part, 'virgin soil'; the teachings of economists to whom allusion has been made had never reached the ear of most of them, or had passed unheeded. . . . His nature contained that flavor of obstinacy which borders on fanaticism and which is rightly attached to the missionary. . . . Henry George had all the popular gifts of the American orator and journalist, with something more. Sincerity rang out of every utterance. . . . In my lectures upon Political Economy about the country, I have found in almost every centre a certain little knot of men of lower-middle or upper-working classes, men of grit and character, largely self-educated, keen citizens, mostly nonconformists in religion, to whom Land Nationalization, taxation of unearned increment, or other radical reforms of land tenure, are doctrines resting upon a plain moral sanction. . . ." ("Influence of Henry George in England," *Fortnightly Review* of December 1, 1897.) As so many other critical articles on George, especially in England, this fails to realize, even while commending George as not being a fanatic and a conjurer out of his imagination, that he did actually construct the greatest part of his system out of "his private experience." The same small interpretation of George is present in Ernest Barker, who writes that "The American, Henry George, though adding no new ideas, had added new vigour and 'hustle' to an old doctrine." (*Political Thought in England, from Herbert Spencer to the Present Day*, Henry Holt, Home Library ed., p. 215.)

of short-sightedness. George's system was "his own by right of synthesis and emphasis,"<sup>102</sup> and it is as a system-maker that George must be understood.<sup>103</sup>

George is thus placed in a peculiar relationship to the classical economists, for he appears not only as an original thinker, who quite independently arrived at some of the fundamental tenets of English political economy, but also as a correlator of what he regarded as disconnected fragments in the work of the economists. His conceptions, while not a product of other systems of economic science, were understood by George himself, and by those of his followers who were conscious of the historical background of the land movement, as a further development of principles that had already been established by the recognized leaders in economics. In using the ideas of his predecessors (when he had discovered them) as a buttress, where they so permitted, for his own hypotheses, and in attempting to develop the implications that he found in the writings of the British economists, George definitely, although perhaps not intentionally, coupled his reasoning with some of the most widely discussed traditions of economic theory. This connection was of great significance in his own work, for his later conceptions, while still unchanged, were broadened and strengthened through

<sup>102</sup> Young (*op. cit.*), p. 25.

<sup>103</sup> One of the most thorough recognitions of this system-fashioning work of George is that by Moffat in the book previously mentioned: "Mr. George, as a system-maker, in which capacity I wish to invite attention to him, is the legitimate continuator and developer of Ricardo, the great system-maker of political economy. . . . As a combination, Mr. George's book is, perhaps, as original a contribution as has ever been offered to science. Yet his method, with a difference that will be duly noted, is Ricardo's, and there is hardly a particular doctrine in his book that has not been previously propounded by some one. . . . Throughout his system of doctrines, there is hardly one which has not its counterpart in some previous system. . . . Has Mr. George diligently collected all these things, or has he rediscovered them for himself? I believe the latter to be in the main the true explanation. . . . The sublimity his transformations impart to the commonest doctrines remind one that the accusation of plagiarism was brought against Handel" (pp. 3-5). That is probably the best statement of this whole matter of the precise degree of George's originality.

his contact with the opinions of the English thinkers. Certainly their ideas, which entered into his own thought after he had been convinced of the truth of his land proposal but before he had worked it out in complete detail, were of more moment to George than were the concepts of his other anticipators; and their general approach to a consideration of the land problem, as well as their specific suggestions, make the classical economists a real factor in the complete statement of George's proffered solution.

The list of George's anticipators has not, of course, been exhausted in this brief survey. There have been other men, many perhaps still unknown, who have seen the peculiar significance of a tax upon the value of the land,<sup>104</sup> and there have

<sup>104</sup> A discussion of the forerunners of George should not be concluded without some mention at least of the German Bodenreformers, whose work came into recognition just a few years before the appearance of *Progress and Poverty*. These land reformers, led by men like August Theodor Stamm in particular, Samter, and Gossen (the latter of the German mathematical school of economy who, along with Walras in Switzerland and France, was of such importance in the independent discovery of the concept of marginal utility), anticipated not only George's specific proposal for a land tax, but also his synthesis of economic laws. Stamm's book, with the significant title of *Die Erlösung der darbenenden Menschheit*, appeared in 1871, and, as with *Progress and Poverty*, it held that poverty and all the misery born of poverty could be abolished only by destroying private ownership of land through the means of land value taxation. Such a tax would unravel the tangle of political economy and prepare the way for a natural order. Unlike George, Stamm favored compensating the present owners of land. He later organized the Society for Humanity, which was devoted to propagating his principles of land reform. Adolph Samter's work, *Das Eigentum in seiner sozialen Bedeutung*, was published in 1879, the same year as *Progress and Poverty* appeared. Hermann Heinrich Gossen was the most influential figure among these early Bodenreformers because of his general work in economic theory, but he was preceded by Karl Arnd, who wrote a work on Natural Taxation in 1852. Gossen's book, *Entwicklung der Gesetze des menschlichen Verkehrs und der darausfließenden Regeln für menschliches Handeln*, which appeared two years later, advocated that the State should purchase the land and then, acting as landlord, should lease it to private citizens. In 1860 Friedrich Held petitioned the Prussian legislature to arrange for a tax upon land values only.

For an account of these early Bodenreformers, see Dollfus, *Über die Idee der einzigen Steuer* (*op. cit.*); Joseph Danziger's account of the single tax movement in Germany, pp. 145-154 in the *Single Tax Year Book* (*op. cit.*), Young (*op. cit.*), pp. 10-12.

When George's work became known in Germany it was quickly correlated

been others also to whom has come, what George would have liked to think, a vision, an individual revelation of a certain relationship and harmony between the forces that govern the workings of political economy and the forces that control life itself. George knew of only a few of his host of predecessors, but his faith in the universal appeal of this truth that he had seen is found in what are almost the concluding words of *Progress and Poverty*: "And they who fight with Ormuzd, though they may not know each other—somewhere, sometime, will the muster roll be called."

#### GEORGE'S BACKGROUND

The origin of George's approach to social problems through an attempted solution of the land problem cannot, then, be traced to the work of other writers, although the same thoughts were present among many of his predecessors in economic theory; but that origin can be quite definitely related to the setting in which his thought was formed. His own account of the manner in which he first became aware of the doctrine that was to dominate his life is largely in terms of inspiration and revelation,<sup>105</sup> but inspiration and revelation are not of much assistance in explaining precisely how a theory originated. In the case of George, however, there is little difficulty in tracing back to their sources the factors that really inspired him; indeed, he himself recognized the importance that his background had for the development of his

with the proposals of these early thinkers, and a new group of Bodenreformers came into existence, with leaders such as Michael Flürscheim, Adolph Damaschke, Theodor Hertzka, and Professors Adolph Wagner of Berlin and Imhoff of Freiburg. An instance of the popular relation of the work of George to that of his German predecessors appeared in a quotation from the *Kölnische Zeitung* (Cologne) at the time of George's death (quoted in the *Literary Digest* of Dec. 4, 1897, Vol. XV, No. 32, article on "Henry George Through European Eyes"): "This theory [the single tax] which originated with the English schoolmaster Thomas Spence, was further spun out by Richard Hale, and was further advocated in Germany by Gossen, Samter, and Stamm."

<sup>105</sup> See *supra*, pp. 42-43 and 179-180.

concepts. While, on the one hand, he could write that "Once, in daylight, and in a city street, there came to me a thought, a vision, a call—give it what name you please. But every nerve quivered. And there and then I made a vow," and that, "Like a flash it came upon me that there was the reason of advancing poverty and advancing wealth," yet he also realized that, "I certainly neither picked it up [his theory] second-hand nor got it by inspiration. I came to it by a long, laborious, and most conscientious investigation . . . and if I have been enabled to emancipate myself from ideas which have fettered far abler men, it is, doubtless, due to that fact that my study of social problems was in a country like this [California], where they have been presented with peculiar directness, and perhaps also to the fact that I was led to think a good deal before I had a chance to do much reading."<sup>108</sup>

A revealed vision, of course, is very rarely something entirely cut off from all environing conditions, a phenomenon so completely *sui generis* that it is beyond the realm of the explicable; and George's "long, laborious, and most conscientious investigation," together with the fact that his study of social problems was in a country like California, are quite sufficient to indicate the sources from which his ideas had sprung. Inspiration is perhaps nothing but the result of some form of concentrated thought, a result, however, that may be manifested suddenly in a striking mystical experience. And it is not of little consequence that the records show that revelations, even scientific "hunches"—the whole hypothetical technique, if you will—are likely to occur in those precise lines of endeavor in which the individual has been vitally interested; certainly had George's call been one announcing some new law of chemical combination, instead of one con-

<sup>108</sup> From an article in the *Sacramento Record-Union* of March 27, 1880, replying to a review of *Progress and Poverty*. (Quoted by Young, p. 28, and also in the *Life*, p. 325.)

cerned with a land problem, then indeed and only then would it have been a "vision from heaven."

As it was, those years of formative thought, from 1858 to 1879, which found George in pioneer California, where a new order of society was unmistakably in the process of growth, added to the intimate acquaintanceship that he had made with the debasing effects of poverty, are perhaps sufficient to explain why his ideas were directed to a consideration of social questions.<sup>107</sup> In this new West, George found not only the stimulating tonic of a pioneer community, where ideas, when there were any, were impertinently independent of older and mustier traditions, but also, and more significantly, he saw a growing restlessness and growing uneasiness; amid all the buoyant freedom of a new society there were appearing traces of the symptoms that characterized older and more respectable communities, want and misery and charity. And as the West became maturer and more civilized, those essentially pathological symptoms became aggravated. George himself relates how, shortly after he arrived in the West, he became impressed by the lamentable phenomenon that as a country became wealthier and more populous, conditions grew steadily worse:

Let me, since I am in San Francisco, speak of the genesis of my own thought. I came out here at an early age, and knew nothing whatever of political economy. I had never intently thought upon any social problem. One of the first times I recollect talking on such a subject was one day, when I was about eighteen, after I had come to this country, while sitting on the deck of a topsail schooner with a lot of miners on the way to the Frazer River. We got talking about the Chinese, and I ventured to ask what harm they were doing here, if, as these miners said, they were only working the cheap diggings?

<sup>107</sup> Of course, George's thinking cannot be completely understood unless another controlling element is grasped, that vague force of the political philosophy of a *Zeitgeist*, the doctrine of natural rights made manifest in Jeffersonian democracy.



"No harm now," said an old miner, "but wages will not always be as high as they are to-day in California. As the country grows, as people come in, wages will go down, and some day or other white men will be glad to get those diggings that the Chinamen are now working." And I well remember how it impressed me, the idea that as the country grew in all that we are hoping that it might grow, the conditions of those who had to work for their living must become, not better, but worse. . . . I remember, after coming down from the Frazer River country, sitting one New Year's night in the gallery of the old American Theatre—among the gods—when a new drop curtain fell, and we all sprang to our feet, for on that curtain was painted what was then a dream of the far future, the overland train coming into San Francisco; and after we had shouted ourselves hoarse, I began to think what good is it going to be to men like me—to those who have nothing but their labor? I saw that thought grow and grow. We were all—all of us, rich and poor—hoping for the development of California, proud of her future greatness, looking forward to the time when San Francisco would be one of the great capitals of the world; looking forward to the time when this great empire of the West would count her population by millions. And underneath it all came to me what that miner on the topsail schooner going up the Frazer River had said: "As the country grows, as people come in, wages will go down."<sup>108</sup>

It was this same thought that George elaborated in his first economic writing, an article on "What the Railroad Will Bring Us" for the *Overland Monthly* in 1868.<sup>109</sup> And, of course, it was this paradox of increasing wealth and want that not only gave the title to his chief work, but was really the underlying problem of all his economic thinking. It was expressed perhaps most clearly in the introduction to *Progress and Poverty*:

It is to the newer countries—that is, to the countries where material progress is yet in its earlier stages—that laborers emigrate in search of higher wages, and capital flows in search of higher

<sup>108</sup> From a speech in San Francisco (February 4, 1890, in the Metropolitan Hall) during George's trip around the world. Quoted in *Life*, pp. 80, 100.

<sup>109</sup> See *supra*, pp. 39-40.

interest. It is in the older countries—that is to say, the countries where material progress has reached later stages—that widespread destitution is found in the midst of the greatest abundance. Go into one of the new communities where Anglo-Saxon vigor is just beginning the race of progress; where the machinery of production and exchange is yet rude and inefficient; where the increment of wealth is not yet great enough to enable any class to live in ease and luxury; where the best house is but a cabin of logs or a cloth and paper shanty, and the richest man is forced to daily work—and though you will find an absence of wealth and all its concomitants, you will find no beggars. There is no luxury, but there is no destitution. No one makes an easy living, nor a very good living; but every one *can* make a living, and no one able and willing to work is oppressed by the fear of want.

But just as such a community realizes the conditions which all civilized communities are striving for, and advances in the scale of material progress—just as closer settlement and a more intimate connection with the rest of the world, and greater utilization of labor-saving machinery, make possible greater economies in production and exchange, and wealth in consequence increases, not merely in the aggregate, but in proportion to population—so does poverty take a darker aspect. Some get an infinitely better and easier living, but others find it hard to get a living at all. The “tramp” comes with the locomotive, and almshouses and prisons are as surely the marks of “material progress” as are costly dwellings, rich warehouses, and magnificent churches. Upon streets lighted with gas and patrolled by uniformed policemen, beggars wait for the passer-by, and in the shadow of college, and library, and museum, are gathering the more hideous Huns and fiercer Vandals of whom Macaulay prophesied.<sup>110</sup>

George had seen this vivid contrast himself, not only in the comparison of early San Francisco with the Philadelphia of his boyhood and with the New York that had shocked him with its display of poverty, but also in the changing conditions in California itself. Where once wages had been spectacularly high and working men independently confident and self-assured, there now came the ominous cry of “hard

<sup>110</sup> Pp. 6-7.

times," and the unemployment and stagnation of a period of depression. California was growing older and consequently sadder if not wiser.

But a more suggestive phenomenon in the early development of California, and one that was more specifically responsible for the direction in which George's economic theory developed, was the prodigal disposal of the public domain and the resulting wild flourish of land speculation.<sup>111</sup> This alienation of the lands of California and their concentration in the hands of a comparatively few owners, was not something accidental nor was it peculiarly characteristic of the State of California. It was the direct result of the general State and Federal land policy which was soon to become traditional in its lavish and thoughtless disposal of Western lands. The status of California lands had been complicated by the Spanish and Mexican grants operative before the State entered the Union, but instead of clearing away the confusion that had resulted from conflicting land titles, the early American policy still further unsettled the situation,<sup>112</sup> and paved the way for the unscrupulous activities of land speculators.<sup>113</sup> Coupled with this attitude of neglect was the more positive Federal policy of reckless land grants to private

<sup>111</sup> For a brief historical account of the land policy followed in early California see Young (*op. cit.*), Chap. II. The authorities he quotes are: Royce's *California*; J. S. Hittell, *The Resources of California* (1863) and *History of California*; H. H. Bancroft's *History of California*, and T. C. Donaldson's *The Public Domain*. The statistical reports of various Federal and State land equalization and census boards are also made use of. See also *The Great American Land Bubble*, by A. M. Sakolski (New York, Harpers, 1932), Chap. XII.

<sup>112</sup> Young, pp. 28-34. The Federal Government waited from 1848 to 1851 before taking any action regarding the status of the Spanish and Mexican grants, and the act of March 3, 1851, was "nominally to 'settle' private land claims in California, but really to unsettle them and the whole country, and keep them unsettled." (Hittell, *Resources of California*, pp. 455-456, in Young, p. 31.)

<sup>113</sup> Young traces the beginning of the concentration of land ownership in California to government negligence, and quotes Bancroft's opinion that the policy of the United States resulted in "confiscation, and that not in the real interests of the United States, or of American settlers, but of speculating land sharpers." (Bancroft, *History of California*, p. 577, in Young, p. 34.)

individuals and particularly to the railroads. The lands of the State were admitted to preëmption by the act of March 3, 1863,<sup>114</sup> and later the railways were granted holdings comprising 16,387,000 acres, more than sixteen per cent of the entire area of California. The State policy was no improvement upon the prodigality of the Federal Government, and "in eighteen years the State had disposed of her vast landed possessions, making no attempt to increase their value by improvements, nor leaving any to rise in value along with the development of the country about them. The money realized was . . . dissipated by the extravagance of the early Legislatures, or fraudulently disposed of by political tricksters in collusion with dishonest officials."<sup>115</sup>

Of even more direct influence upon George than the disposal of the lands of the State and the resulting tendency toward land monopoly and concentration<sup>116</sup> was the spectacular soaring of land values. The natural increase in the value of land, due to the growing population that followed the discovery of gold, was enormously accelerated by speculative ventures, and the fabulous prices that land acquired still remain, as does the gold rush, part of early California tradition. "The San Francisco *Directory* for 1852 (p. 9) describes in a striking manner the arrival of the brig *Belfast* from New York, laden with a valuable cargo of goods. 'She hauled up to the Broadway wharf, the only wharf accessible to such a vessel, and there discharged. No sooner was she known to be landing her cargo than goods of all kinds fell twenty-five per cent, and real estate rose fifty per cent. A vacant lot on the corner of Washington and Montgomery

<sup>114</sup>The fraud and land-grabbing that resulted from the policy of preëmption are described in R. T. Hill, *The Public Domain and Democracy* (Columbia University Studies, 1910, p. 46), in Young, p. 34, n. 22.

<sup>115</sup>Bancroft (*op. cit.*), pp. 640-641, Young, p. 35.

<sup>116</sup>For figures bearing on this tendency for California lands to concentrate in the hands of a few at this period, see tables in Young, pp. 36-37; see also George's *Our Land and Land Policy, Works*, Vol. VIII.

streets at that time bordering on the water, which had been offered for \$5,000 and refused, sold readily the very next day for \$10,000.'"<sup>117</sup> In the *Annals of San Francisco*,<sup>118</sup> there is this statement:

But chiefly it was the holders of real estate that made the greatest fortunes. The possession of a small piece of building ground in or about the center of business was a fortune in itself. Those lucky people who held lots from the times before the discovery of gold, or who shortly afterwards managed to secure them, were suddenly enriched, beyond their first most sanguine hopes. The enormous rents paid for the use of ground and temporary buildings in 1849 made all men covetous of real estate. . . . The temptation to perpetrate any trick, crime, or violence, to acquire real estate, seemed to be irresistible. . . . The richest men in San Francisco have made the best portion of their wealth in the possession of real estate.

It was against such a background that George formed his thought. "He witnessed intimately perhaps the most discreditable episodes in all our checkered public land history,"<sup>119</sup> and he felt that he had before him the very manifestation of why progress meant poverty. He saw that already the early prosperity of California was giving way to discontent and hardship,<sup>120</sup> and he believed that here was a miniature of civilization itself. For George it was no mere coincidence that as a community thrived and grew so did it open the door to the grim spectre of want. There was a common cause, he declared in *Progress and Poverty*, for this companion advance of prosperity and misery, a common ground from which

<sup>117</sup> Young, p. 39.

<sup>118</sup> By Soule, Gibon, and Nisbet (1855), pp. 498-500. In Young, p. 40.

<sup>119</sup> Young, pp. 40-41.

<sup>120</sup> ". . . As the exceptional opportunities for stumbling upon fortunes or for taking up rich lands were seized by those first on the ground, as multitudes of men came in, eager to compete for what they regarded as the opportunities of a century, the inevitable leveling down process commenced, and rates of wages began slowly to recede toward the levels obtaining elsewhere. . . . The evils of poverty and vice, always most conspicuous in cities, manifested themselves in San Francisco." (*Ibid.*, p. 41.)

sprang both the fruits and the weeds of civilized society. This common cause George thought that he had found in the peculiar action of land values. They came into existence only with the presence of man and his productive labor; they rose as population increased and as a crude way of living gave way to a more cultivated social order. They were, he was sure, wholly a social product; yet they were exploited by individual landowners, and their constant increase absorbed whatever increase in wealth might be produced by labor.

It is evident, then, that George's California environment was largely responsible for his approach to the problems of political economy, and if it was indeed a truth that he had discovered, then his frontier experience must be considered as a moulding influence. To his own brilliant originality was added this invaluable privilege of having been present at the very birth of a new social order.<sup>121</sup> And George was not

<sup>121</sup> The influence of his pioneer surroundings in directing George's thought has been recognized by nearly every writer who has considered his work. For example, Professor Perlman writes: "His [George's] dogmatism was largely a result of environment. . . . He . . . began his philosophical experience on what was then the economic frontier, where as yet there was little manufacturing, but mainly mining and agricultural pursuits having a direct dependence upon natural resources. Wages were high, owing to the abundance of these resources offering rich alternative opportunities to the wage-earner. When the first transcontinental railroad was completed in 1869 and a rapid growth of population began, the free land was quickly preempted by speculators, the price of land soared up, and wages simultaneously fell. George drew the conclusion that wages had declined because the landowner was now exacting a high rent for the use of land. He also ascribed to high rent similar effects on profits, whose similarity to wages he could see in a community where the independent miners commonly spoke of washing their 'wages' out of the soil." (*History of Labour in the United States*, Commons and Associates, New York, Macmillan, 1918; Vol. II, p. 447.) He continues, ". . . Furthermore, George keenly observed the severe industrial depression which struck California in 1877 and which served to confirm the idea already ripened in his mind that the monopolization of the land by withholding it from use both reduced wages and decreased the opportunities for employment. Thus, the observation of conditions in California led George to explain the exploitation of labour and the lack of employment by a single cause, the monopolization of land."

Professor Gide's first review of *Progress and Poverty*, in the *Journal des Économistes* (Paris) of May 15, 1883, was entitled "De quelques nouvelles doctrines sur la propriété foncière," and he showed that these new doctrines (which, however, he later stated were not new at all—see *supra*, p. 176, n. 23)

the only Westerner to be impressed by the evils of the prevailing land policy; in the early '70s there was widespread agitation in California against "land monopoly," an agitation that had lasted ever since the trouble over the Spanish and Mexican grants.<sup>122</sup> Yet while George may not have been the first to advocate land reform, even in California,<sup>123</sup> his work proved to be the most significant and the most permanent; whereas others had recognized only a condition of local concern, he attempted to widen the importance of the land question, and from its partially revealed effects sought to work out a complete system of social organization.

Conditions in California at the time when George began

were a direct product of such a state of society as existed in California where, under the eyes of all, free land was being exhausted.

Judge James G. Maguire, who was an early friend of George and who later became a prominent single taxer, has stated that George "could not have discovered the great truths of political economy but for the social and industrial phenomena which transpired within his experience" and that had it not been for "the marvellously rapid evolution manifested in California, in which was shown every stage of land monopolization that was developed in Europe and America in many centuries, we would now have no single tax agitation." (In the single tax weekly, *Justice*, Jan. 5, 1895; quoted in Young, pp. 27-28.)

<sup>122</sup> The most influential agitator for land reform was perhaps James McClatchy of the *Sacramento Bee*. George had formed his friendship during his early days in Sacramento, and it was largely through the efforts of McClatchy, who later became editor of the *San Francisco Times*, that George won his early advancement in California journalism. (For an account of this land reform agitation in California, see Young, pp. 49-52.) Regarding the work of McClatchy, J. H. Barry wrote in the *San Francisco Star* of November 6, 1897: "It was James McClatchy who instilled into George those ideas antagonistic to land monopoly which were afterwards so brilliantly woven in *Progress and Poverty*. In fact, George insisted that James McClatchy should be the man to write that work." (Young, p. 50, n. 25.)

<sup>123</sup> George, however, did consider that he was the first. "So far as we know, we were the first upon the American continent or anywhere else to enunciate the principle which will some day be an accepted axiom, that land is the only thing which should be taxed for purposes of revenue. And when we did, it was some time before we could find anyone else who thought the same way." (In the *San Francisco Evening Post*, April 16, 1874.) Certainly his *What the Railroad Will Bring Us* of 1868, and *Our Land and Land Policy*, written in 1871, were the earliest comprehensive treatments of land reform in California. George's editorial policy in the *Evening Post* from 1871 to 1875 was also the first consistent journalistic attack upon land monopoly, and the hostile criticism with which it was greeted showed that, even in California, land reform was far from popular.

his more intensive work, the actual writing of *Progress and Poverty*, had grown increasingly worse, and when the depression of 1877 made its appearance the Western State found that it was in the grip of the same evils that had overtaken the more developed East. Not only had the State's early prosperity disappeared, but at the time of the panic a drought and a serious falling-off in the silver output of the Comstock Lode still further aggravated local discontent, and while California did not experience the violence that streaked blood and fire through the great Eastern railway centers, the policy of intimidation adopted by the Central Pacific Railroad helped to bring on the Dennis Kearney upheaval in which the Chinese as well as the railroad were made the objects of attack. The effect of this depression, following so soon upon the earlier spectacular display of wealth in California, strengthened George in his conviction that he was watching the pathological development of a social system, and helped to make *Progress and Poverty* a direct and timely protest against what was an evident social maladjustment.

George's vision, then, was not conjured out of a feverish imagination. It was not a mystic experience that had no relation to anything empirical, but a significant revelation that had come to him as an inference from the changing conditions that he was able to observe. His originality was not in the form of some divine apocalypse, but was rather a carefully planned attempt to reconstruct out of the facts of his immediate experience and out of the anticipations of the classical economists a system that would correlate all the implications of political economy, that would indeed transform political economy into an instrument for solving ultimately all ethical problems. It is true that George's conceptions did not bring any new ideas into the stream of thought, and it may be that his originality was more syn-



thetic than creative, but it was this fresh approach to old problems, an approach that was as much a product of his background as the poverty that harassed him, that has stamped his work as unique. It was this concept of his, the idea that a broadening and developing of the province of economic problems would have a direct and significant effect upon problems in other fields of intellectual endeavor, that, more than any specific treatment of the land question, has ranked George as an independent thinker. The fervent eloquence with which he expounded his doctrine, the missionary obstinacy which "bordered on fanaticism," the complete absence of any spirit of diffidence, made George a compelling figure. His comprehensive and original grasp of a new significance in the meaning and scope of political economy made him a profound one.