

Land

Of all the factors which contributed in its beginnings to the advancement of America, by far the most important was the fact that land was available in such abundance that no man had to pay another for permission to use it. Amplifying this point, it is worthwhile to know what Adam Smith said on the subject in his *The Wealth of Nations*:

Every colonist gets more land than he can possibly cultivate. He has no rent, and scarce any taxes to pay. No landlord shares with him in its produce, and the share of the sovereign is commonly but a trifle. He has every motive to render as great as possible a produce, which is thus to be almost entirely his own. But his

land is commonly so extensive, that with all his own industry, and with all the industry of other people whom he can get to employ, he can seldom make it produce the tenth part of what it is capable of producing. He is eager, therefore, to collect laborers from all quarters, and to reward them with the most liberal wages. But those liberal wages, joined to the plenty and cheapness of land, soon make those laborers leave him in order to become landlords themselves, and to reward, with equal liberality, other laborers, who soon leave them for the same reason that they left their first master. The liberal reward of labor encourages marriage. The children, during the tender years of infancy, are well fed and properly taken care of, and when they are grown up, the value of their labor greatly overpays their maintenance. When arrived at maturity, the high price of labor, and the low price of land, enable them to establish themselves in the same manner as their fathers did before them. . . .

There is an interesting juxtaposition in the fact that Adam Smith's book was published in 1776, the same year that the Declaration of Independence, citing complaints against George III, included one of "raising the conditions of new appropriations of lands." Colonists were concerned that the major proportion of the produce of land should stay in the hands of the producers. In the maintenance of free land at the frontier, the colonists saw a natural safeguard of the rent or price that could be demanded for land in the settled territory.

The first settlers of New England used the method of dividing the land which had been used many centuries earlier when their ancestors divided the land of Britain,

giving to each head of a family his town lot and his seed lot, while beyond lay the free common. The impressive plentifulness of land in America obscured the danger of monopoly in individual landownership, even when tracts were small, which must eventually result when land became scarce. In his great book, *Progress and Poverty*, Henry George pointed out that, when Americans did become accustomed to the idea of private property in land, they still did not grasp its essential injustice; "the continent [has seemed] so wide, the area over which population might yet pour [seems] so vast . . . In short, the American people have failed to see this essential injustice because as yet they have not felt its full effect. . . ."

At the time when land was available in such abundance that permission to use it did not have to be paid for, the settler had great freedom. If he was not satisfied where he was, he could simply move on and homestead somewhere else. This, in turn, held down the valuation of the land he vacated. The general rule that land-value curves and population curves are parallel applied. But in early America the rise in land value was long delayed because of the leakage of population to the free land.