## THOMAS PAINE: HIS LIFE AND LEGACY

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Thomas Paine's literary and intellectual accomplishments are extraordinary under any circumstances. Under the circumstances of his original station in life and his early experiences in eighteenth century England, we come away both humbled and mystified. We know by his deeds of the passion for justice he possessed. His activism was driven by a deep conviction to moral principles. He is known to have relished engaging in the debates on public issues that took place in the taverns of London, where he had come to live and work in 1766 and, later, in Lewes, where he worked as a customs officer and where he married for the second time.

Financially, these were difficult years for Paine. Nonetheless, he took leave from his duties in 1772 to return to London to petition Parliament on behalf of his fellow excisemen for increased compensation. Paine produced a pamphlet – his first serious political writing – in defense of their cause. Returning to Lewes in the Spring of 1774, he was discharged for abandoning his responsibilities.

Paine soon separated from his second wife and returned to London, although he is not known to have had any savings or even any prospects for employment. He spent some of his time at least attending scientific lectures; and, through one acquaintance he was introduced to Benjamin Franklin. A friendship between the two men apparently blossomed. Here, I enter into the realm of speculation concerning Paine's intellectual development and his exposure to other deep thinkers of the day. Franklin is key. Among those Franklin comes to know in London is the great moral philosopher and political economist, Adam Smith. Smith, in turn, had become well-acquainted with the several of the leaders of the Physiocratic school of political economy – Quesnay, Turgot and Necker. Smith later wrote of the Physiocratic system that "with all its imperfections is, perhaps,

the nearest approximation to the truth that has yet been published upon the subject of political economy." Later, Franklin was also converted to the political economy of the Physiocrats. Did Franklin introduce Paine to Smith? Did Paine acquire his interest in political economy from the kind of discussions that were certain to have occurred in the company of these other remarkable men? The record is silent.

In any event, Franklin convinced Paine that his prospects for a better life would improve by leaving Britain and resettling in North America. Franklin even wrote a letter of introduction on Paine's behalf recommending him to his son, William, the royal governor of New Jersey, and to his son-in-law, Richard Bache. With these contacts established, Paine left England in October of 1774, arriving in New York City on November 29 before making his way to Philadelphia. Six months later, Benjamin Franklin also returned home, his role as representative of the colonies having become futile.

Thanks, in no small measure to Franklin's backing, Paine found employment as writer and editor of a new periodical, *The Pennsylvania Magazine*, started by Dr. John Witherspoon (president of the College of New Jersey) and a Philadelphia printer, Robert Aitken. Almost immediately, Paine used the pen to voice his opinions concerning the troubles between Britain and its North American colonies.

As is well-known, Paine's first serious writing in the colonies was an essay condemning the institution of slavery. Seeing Africans enslaved by Americans in Philadelphia touched a nerve. The *Pennsylvania Magazine's* readers responded and Paine's journalistic career was immediately established. His growing friendship with the American republican leaders and his acceptance of their political ideals took him the rest of the way. And, as time passed, his understanding of political economy deepened. Paine denied this came about as a result of disciplined study of the writings of his contemporaries or earlier luminaries. Yet, the verdict of his biographers is that Paine knew Locke and had relied upon

- 55 Lockean principles in the writing of his revolutionary pamphlet, Common Sense.
- Was this knowledge acquired out of his tavern debates?

This is not to say Paine was inattentive to learning. He had become a member of the American Philosophical Society, while Franklin was still alive and serving as its first president. In fact, Paine authored the bill for the Society's incorporation, which stated as a matter of fundamental principle that members ought to be free "to correspond with learned societies, as well as individual learned men, of any nation or country ... for furthering their common pursuits."

At the end of 1780, Paine prepared his first detailed analysis of his adopted nation's socio-political arrangements and institutions, a pamphlet he titled *Public Good*. A key issue under debate among leaders of the States was how to resolve disputes over claims to "western lands." Virginians claimed an extensive land area to the west; however, as Paine reminded his readers:

- "Those very lands, formed, in contemplation, the fund by which the debt of America would in the course of years be redeemed."
- 71 Thus, the conventional wisdom was to pay off the war debt by selling off the 72 public domain.
  - In this and every societal issue on which Paine offered his perspective, he challenged others to honor the commitment to moral principle above law or custom. His words have a familiar ring to anyone who has studied the works of Henry George:
  - "A right, to be truly so, must be right within itself: yet many things have obtained the name of rights, which are originally founded in wrong. Of this kind are all rights by mere conquest, power or violence."

Paine had apparently already thought deeply about the nature of property and the legitimate basis of rights to landed property. His life in England, where the land was in the hands of a privileged few, provided him with a perspective that most American colonials did not have. In *Public Good*, he demonstrates a strong understanding of the sanctity of contractual obligations and a familiarity with the historical writings on the founding of Britain's colonies. Regarding Virginia's claim to western lands, he concludes:

"The only fact that can be clearly proved is that the Crown of England exercised the power of dominion and government in Virginia, and of the disposal of the lands, and that the charter had neither been the rule of government nor purchasing land for upwards of one hundred and fifty years, and this places Virginia in succession to the Crown, and not to the Company. Consequently it proves a lapse of the charter into the hands of the Crown by some means or other."

These were the historical facts. But, Paine acknowledged that resolution of this conflict over land required an unsatisfactory compromise of moral principle:

"I am not fond of quoting these old remains of former arrogance, but as we must begin somewhere, and as the States have agreed to regulate the right of each State to territory, by the condition each stood in with the Crown of England at the commencement of the Revolution, we have no other rule to go by; and any rule which can be agreed on is better than none."

He also had some advice to the leaders of all of the States still fighting to separate themselves from British rule:

"It seldom happens that the romantic schemes of extensive dominion are of any service to a government, and never to a people."

The same advice was given to Britain's leaders by Adam Smith in *The Wealth of Nations*. Acquiring an extended empire is very costly, almost impossible

to maintain over any period of time, and of benefit to a small minority of monopolistic interests. Paine's recommendation was to establish new, small states out of the western lands, then open "a land office in all countries in Europe for hard money, and in [the American States] for supplies in kind." In this way, he believed, the war could be paid for without incurring a huge debt and without the need for the imposition of heavy taxation.

Whether from Adam Smith or John Locke, from other writers, or from his own insights, Paine grasped an essential truth underlying the science of political economy:

"Lands are the real riches of the habitable world, and the natural funds of America. The funds of other countries are, in general, artificially constructed; the creatures of necessity and contrivance dependent upon credit, and always exposed to hazard and uncertainty. But lands can neither be annihilated nor lose their value; on the contrary, they universally rise with population, and rapidly so, when under the security of effectual government."

His thinking at this point may not have been specifically influenced by the teachings of the Physiocratic writers, nor even by Smith's discussion of ground rents as an appropriate source of public revenue. However, in his *Crisis* paper that appeared in October 1780, he recommended that of the total revenue needed to be raised, "one half ... should be raised by duties on imported goods, and prize goods, and the other half by a tax on landed property and houses." As with the selling off of some portion of the public lands, Paine argues the case for "a duty on imports" as a measure prompted by expediency. Such a duty, he concludes, "is the most convenient duty or tax that can be collected ... because the whole is payable in a few places in a country, and it likewise operates with the greatest ease and equality, because as every one pays in proportion to what he consumes, so people in general consume in proportion to what they can afford; and therefore the tax is

regulated by the abilities which every man suppose himself to have." Paine's recommendations were also guided by a desire to avoid the dangers of a divisive national debt at a time when the newly-independent States struggled over the right balance between sovereignty and unity.

Although the war in the south continued, and the British remained strongly entrenched at Yorktown, Paine was confident victory was on the horizon. He began to think of his own future and planned to write a detailed and accurate history of the war. Remarkably, he thought about secretly returning to England to conduct his own research on Britain's execution of its wartime strategy. Before any of these plans could be pulled together, however, Paine was approached by the Congress to join Colonel John Laurens for a mission to France to secure an additional loan. They sailed early in February of 1781 and, upon their arrival in Paris, Paine was reunited with Benjamin Franklin. Franklin arranged for meetings with Vergennes, the foreign minister, and eventually with king Louis XVI. In May, Vergennes announced that the requested loan would be granted -- some two and a half million livres in silver as well as a huge quantity of urgently needed goods and war materials. For his part, Paine still yearned to get to England, but Franklin managed to dissuade him of this foolish idea.

After a return voyage lasting almost three months, Paine made his way from Boston to Philadelphia accompanied by a strong escort. In one of history's strange ironies, all of the recognition went to Laurens. Paine had to petition the Congress several times just to be reimbursed for the expenses he incurred on the nation's behalf. For some months, Paine slipped into inactivity. Then, at the urging of George Washington, Robert Morris approached Paine to enlist his mind and pen in the planning for the future. The result was an open letter "To the People of

America" published in March of 1782, in which he pleaded with them to remain united:

"The union of America is the foundation-stone of her independence; the rock on which it is built; and is something so sacred in her constitution, that we ought to watch every word we speak, and every thought we think, that we injure it not, even by mistake."

Preserving the union was essential to a prosperous future, he believed. Many problems would have to be resolved, none so immediate than what to do about the issuance of currency. The Continental Congress had issued its own paper currency with virtually no "hard money" in reserve; and, each of the States also printed its own currency. Counterfeiting was widespread. Recounting the wartime situation as he responded in 1782 to a thinly-researched history of the war by the French writer, Abbe Raynal, Paine describes the consequences of paper money issuance:

"The paper money, though issued from Congress under the name of dollars, did not come from that body always at that value. Those which were issued the first year, were equal to gold and silver. The second year less, the third year still less, and so on, for nearly the space of five years: at the end of which, I imagine, that the whole value, at which Congress might pay away the several emissions, taking them together, was about ten or twelve million pounds sterling.

"Now as it would have ten or twelve millions sterling of taxes to carry on the war for five years, and, as while this money was issuing, and likewise depreciating down to nothing, there were none, or few valuable taxes paid; consequently the event to the public was the same, whether they sunk ten or twelve millions of expended money, by depreciation, or paid ten or twelve millions by taxation; for as

they did not do both, and chose to do one, the matter which, in a general view, was indifferent."

The key to understanding Paine's analysis is to pay attention to the phrase "in a general view." He certainly understood – directly or intuitively – the dictum of the sixteenth century political economist Thomas Gresham that bad money chases good money out of circulation. The American colonials who possessed hard money put it away for safekeeping. Moreover, although they comprised a small minority who might have been taxed, they exerted their position of influence to ensure this did not occur. The property of departing Loyalists could be confiscated and sold off to provide the States and the Continental Congress with necessary revenue. Yet, Paine reconciled what occurred based on his assessment that the greater good – the cause of independence – was served:

"Every man depreciated his own money by his own consent, for such was the effect, which the raising the nominal value of goods produced. But as by such reduction he sustained a loss equal to what he must have paid to sink it by taxation, therefore the line of justice is to consider his loss by the depreciation as his tax for that time, and not to tax him when the war is over, to make that money good in any other person's hands, which became nothing in his own."

As Paine continued in his response to Raynal, he explored the rational basis for relations between nations. Here, he reminded readers that the oceans constituted the last remaining commons:

"The sea is the world's highway; and he who arrogates a prerogative over it transgresses the right, and justly brings on himself the chastisement of nations."

To Americans, he continued to urge the formation of a country united by a strong central government. "The times that tried men's souls are over – and the greatest and completest revolution the world ever knew, gloriously and happily

accomplished," he wrote in April of 1783. Paine was now prepared to retire from public service in order to pursue his unfulfilled private interests. He purchased a small home in Bordentown, New Jersey, where one of his few good friends, Joseph Kirkbridge, had settled after the war's end. He continued to write, warning of the dangers of disunity – dangers not only in the realm of national defense but also affecting the creation of an American economy. "[W]hile we have no national system of commerce," he wrote in December of 1783, "the British will govern our trade by their own laws and proclamations as they please."

In 1784, Paine was awarded a substantial property in the town of New Rochelle, New York, confiscated during the war from a departed Loyalist. He also received a cash award from the Pennsylvania Assembly and the salary owed to him by the Continental Congress. Benjamin Franklin wrote to Paine, expressing his hope that Paine would not disappear from public life. But, Paine's attention was now being drawn to the engineering project in which he invested a good portion of his creative energy – the design of a single arch cast iron bridge. This was Paine combining the skills of scientist, technician and entrepreneur.

Paine had also been one of the initial investors in the Bank of North America, established in 1780. Now, he was compelled to come to its defense in the face of a determined effort to have the bank's charter revoked. Toward the end of 1785 he worked on a pamphlet, *Dissertations on Government; the Affairs of the Bank; and Paper Money*, which he finished and released at the end of February 1786. In this pamphlet, Paine did far more than defend the bank; he argued – as did Jefferson – that the laws of a society ought to be subject to a sunset provision, to a periodic review and affirmative renewal, based on the present needs of society:

"As we are not to live forever ourselves, and other generations are to follow us, we have neither the power nor the right to govern them, or to say how they shall govern themselves. It is the summit of human vanity, and shows a covetousness of power beyond the grave, to be dictating to the world to come. It is sufficient that we do that which is right in our own day, and leave them with the advantage of good examples."

Paine's pamphlet played a major part in building support for continuing the bank charter. That accomplished, Paine returned to construction of a model of his bridge, which he brought to Philadelphia to show to Benjamin Franklin. As always, Franklin provided wise counsel, recommending that Paine take the bridge to France to obtain support from France's leading scientists. And so, just as the delegates from each State began to arrive in Philadelphia for the Constitutional Convention, Paine prepared to depart for France. With letters of introduction from Franklin and assistance from Thomas Jefferson, the French Academy of Sciences appointed a committee to examine Paine's bridge, and soon provided its approval. Paine then made his way to the French coast and the trip across the channel to England.

Despite everything else that had to be on his mind, Paine took the time to address European affairs. The result was the pamphlet, *Preface to Prospects on the Rubicon*, warning the people of England that the nation was in no financial condition to embark on another war. England's political leaders were not amused. Pointing to principle worked well on the American colonials, eager for an end to what they hated as despotic external domination. Now, however, Paine was attempting to put these same principles into play in the Old World, where entrenched privilege seemed unmovable. "I defend the cause of the poor, of the manufacturers, of the tradesmen, of the farmers, and of all those on whom the real burden of taxes fall," wrote Paine, adding "—but above all, I defend the cause of humanity." His perspective was one held by a very small minority, a minority that included hardly anyone in a position of power.

As is clear from what I have written thus far, Paine's ideas on political economy were principled but not doctrinaire. He took circumstances into consideration, arguing the case for mitigating policies when solutions were impractical. His emotional response to the revolution in France pulled him into an extremely dangerous and volatile arena.

When Paine arrived in France in the Fall of 1789, he experienced an enthusiastic and warm welcome. Many of his writings, certainly *Common Sense* and the *Crisis* papers, had been translated into French and broadly read by French intellectuals. The first phase of the French Revolution seemed to Paine to be imbued with the spirit of American experiment, and Paine became an enthusiastic champion of the ideals taking hold in France – and beyond. He assisted the great French philosopher, Condorcet, in drafting a "Declaration of the Rights of Man and of the Citizen" and participated in discussion on what ought to go into a new constitution. When, at the end of 1790, Edmund Burke raised the conservative alarm against the attack by the French people on traditional socio-political arrangements and institutions, Paine responded with his moral and philosophical treatise -- *The Rights of Man*. Some fifty thousand copies were sold in Britain, and Paine rose in stature among the leading reformers there, such as William Godwin.

One of Paine's important insights is that to a very great extent politics dictates economic outcomes. The French, he pointed out, had removed a deep political evil by "abolishing tithes," so that no longer would "the farmer bear the whole expense" of improvements but only a portion "of the produce." Paine also acknowledged the contributions made by numerous French political economists and moral philosophers to the cause of democratic reform under very adverse circumstances:

"The writings of Quesnay, Turgot, and the friends of these authors, are of a serious kind; but they labored under the same disadvantage with Monesquieu;

their writings abound with moral maxims of government, but are rather directed to economize and reform the administration of government, than the government itself."

Later, he asks rhetorically: "What is government more than the management of the affairs of a nation?"

## Adding:

"Sovereignty, as a matter of right, appertains to the nation only, and not to any individual; and a nation has at all times an inherent indefeasible right to abolish any form of government it finds inconvenient, and establish such as accords with its interest, disposition, and happiness. ...If universal peace, civilization, and commerce, are ever to be the happy lot of man, it cannot be accomplished but by a revolution in the system of governments."

In the second part of *The Rights of Man*, appearing in February of 1792, Paine offered his insights into the cooperative, constructive side of the interactions between peoples. One recognizes the influence of Locke in his words:

"Great part of that order which reigns among mankind is not the effect of government. It had its origin in the principles of society and the natural constitution of man. It existed prior to government and would exist if the formality of government was abolished. The mutual dependence and reciprocal interest which man has upon man, and all parts of a civilized community upon each other, create that great chain of connection which holds it together. The landholder, the farmer, the manufacturer, the merchant, the tradesman, and every occupation prospers by the aid which each receives from the other, and from the whole. Common interest regulates their concerns, and forms their laws; and the laws which common usage ordains, have a greater influence than the laws of

316 government. In fine, society performs for itself almost every thing which is 317 ascribed to government."

Paine does not call for "free trade" by name, but he advises of its benefits:

"If commerce were permitted to act to the universal extent it is capable of, it would extirpate the system of war, and produce a revolution in the uncivilized state of governments. The invention of commerce has arisen since those governments began, and is the greatest approach toward universal civilization, that has yet been made by any means not immediately flowing from moral principles."

And, to those who continued to connect a nation's wealth with the establishment of colonies and empire, he echoed Adam Smith's warning:

"The most unprofitable of all commerce is that connected with foreign dominion. To a few individuals it may be beneficial, merely because it is commerce; but to the nation it is a loss. The expense of maintaining dominion more than absorbs the profits of any trade."

Paine also recognizes the economic benefits of the free movement and migration of people:

"As population is one of the chief sources of wealth, (for without it, land itself has no value), every thing which operates to prevent it, must lessen the value of property..."

"Every man is a customer in proportion to his ability; and as all parts of a nation trade with each other, whatever affects any of the parts must necessarily communicate to the whole." He goes on to challenge Edmund Burke's defense of the landed as the primary stakeholders of the nation and defenders of its traditions and constitution of government:

"No reason can be given, why a house of legislation should be composed entirely of men whose occupation consists in letting landed property, than why it should be composed of those who hire, or of brewers, or bakers, or any other separate class of men. ...It is difficult to discover what is meant by the landed interest, if it does not mean a combination of aristocratical land-holders, opposing their own pecuniary interest to that of the farmer, and every branch of trade, commerce, and manufacture."

The landed not only sit back and live off the work of others, but the landed class relies on political power "to ward off taxes from itself." Paine observed that the "aristocracy are not the farmers who work the land, and raise the produce, but are the mere consumers of the rent; and .. are the drones ... who neither collect the honey nor form the hive, but exist only for lazy enjoyment."

Paine finishes *The Rights of Man* by providing British authorities with a step-by-step plan to reduce the expenses of government while at the same time significantly reducing the number of people – particularly children and the elderly – condemned to lives of poverty. First, Britain must abandon militarism and commit to long-term peace with its European neighbors. With the resulting savings in government expenses, he calls for elimination of the poor-rates, which, he declares, "are a direct tax which every housekeeper feels." Then, "make a remission of taxes to the poor to double the amount of the present poor-rates ... out of the surplus taxes." For those over the age of fifty, he calls for a guaranteed annual income that increases for those who reach age sixty.

To Paine, the taxation of houses – with additional taxes imposed for every window – made no sense whatever, so he called for their elimination. What the

national welfare demanded, he stated, was a progressive tax on Britain's landed estates.

With all these measures in place, Britain, he concluded, "will effect three objects at once:"

- "First, That of removing the burden to where it can best be borne.
- 370 Secondly, Restoring justice among families by distribution of property.

- Thirdly, Extirpating the overgrown influence arising from the unnatural law of primogeniture, and which is one of the principal sources of corruption at elections."
  - Paine had yet to articulate in writing the fundamental moral truth, that three years later in 1795 appeared in the pamphlet, *Agrarian Justice*:
  - "It is a position not to be controverted that the earth, in its natural, uncultivated state was, and ever would have continued to be, the common property of the human race. In that state every man would have been born to property. He would have been a joint life proprietor with the rest in the property of the soil, and in all its natural productions, vegetable and animal."
  - And, as Henry George would similarly conclude nearly a century later:
  - "But the earth in its natural state, as before said, is capable of supporting but a small number of inhabitants compared with what it is capable of doing in a cultivated state. And as it is impossible to separate the improvement made by cultivation from the earth itself, upon which that improvement is made, the idea of landed property arose from that inseparable connection; but 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 lands, 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."

Although Paine's close friend and collaborator in these years was the great French philosopher Condorcet, and he was enthusiastically elected to the National Convention, there is no record of any close association with the key Physiocratic leaders – Quesnay or Turgot. Perhaps he came to his views out of the long discussions he had with Condorcet or, earlier, with Benjamin Franklin. Perhaps his reading while imprisoned in Luxembourg included some of the Physiocratic tracts on *the land question* and what needed to be done. We do not have answers from Paine or those who knew him well during this period. Yet, the works quoted from above offered the world a body of writing displaying great clarity of thought. Paine had made significant contributions to the science of political economy for which he received almost no recognition among those who came afterward.

His role as a central figure in the American Revolution is now acknowledged and is experiencing renewed attention. Perhaps, when political economy once again takes its proper place among the social sciences, the contributions of Paine – as well as those of Henry George – will again be taught, studied and written of.