

The "Order Which is Best" and the Lesson of Languedoc

FRED HARRISON

WHILE Henry George was busily writing *Progress and Poverty*, a Frenchman called Emile de Laveleye - encouraged by John Stuart Mill - was writing a book called *Primitive Property*. Their manuscripts were completed in the 1870's; they complement each other perfectly. That they should have been published almost simultaneously is one of those quirks of history. Henry George went on to world fame, Laveleye remained in comparative obscurity. But between them, they brought anthropology, history, economics and ethics to bear to justify a return to a system of common ownership of land.

Henry George built his economic system on an ethical premise - that men should enjoy equal rights to land. He was impelled into the pursuit of a solution to the manifest injustices of the emergent industrial system of the USA, where abject poverty went hand-in-hand with the advances of science and increased productive power.

Laveleye, working independently, also concluded that land should be reinvested with social character - instead of that arising from private proprietorial rights. He arrived at this conclusion, however, by a different route - using historical materials, and employing comparative analysis.

Everywhere, Laveleye found, land was held in common by men until a very late stage in social evolution. His data were drawn from Russia, Italy, China, India, etc., as far back as a study of source material would allow him to penetrate. This material is missing from *Progress and Poverty*, and that is why the two books complement each other.

But Laveleye, having reached a conclusion similar to that of Henry George, failed to produce a solution which satisfied two criteria: first, acknowledgement of the social nature of land, and secondly the economic mechanism suitable for the new industrial society which was just about to predominate throughout Europe. Henry George provided the solution: the collection of the economic rent of land for public usage (land-value taxation).

Both men saw that security of tenure was all that was needed to answer those who sought to justify private property in land on the grounds that this was a pre-condition to cultivation. But Laveleye, it seems, was ignorant of a fiscal solution, although one presumes that he read Mill's earlier works which did refer to the taxation of land value, the unearned increment. The best that Laveleye could prescribe was modelled on the Swiss canton system, where agricul-

tural land was still held in common, a proposal entirely unsatisfactory to those working in a capital-based economic environment. Hence the disappointing conclusion to the book: Laveleye ends by observing that "Obviously there can be no attempt at securing to everyone a share in the soil". He resorts to suggesting vaguely that industry should be based on the guild system, which did contain a moral dimension and gave workers rights and security which they lacked in the factories of the 19th century.

Laveleye's last paragraph reads: "There must be for human affairs an order which is the best. This order is by no means always the existing one; else why should we desire change in the latter? But it is the order which ought to exist for the greatest happiness of the human race. God knows it, and desires its adoption. It is for man to discover and establish it." Laveleye was soon to learn of that solution - when he laid hands on a copy of *Progress and Poverty*.

In a letter written in 1880, Henry George refers to a review of his book:

"I got yesterday the first European notice of our book. It is in the Parisian *Revue Scientifique*, signed by Emile de Laveleye. I got Phil Roach to translate it for me. It is first-class - says the book has instructed him and led him to think; endorses substantially the whole programme; says the chapter on Decline of Civilisation is worthy of being added to 'De Tocqueville's immortal work', etc." (Page 331 of Henry George Jr's *The Life of Henry George*.)

Henry George makes one reference to Laveleye in his later work, *The Science of Political Economy*, but he does not acknowledge the value of Laveleye's historical account of the development of property in land. For Henry George, it was sufficient to validate his system on the basis of Christian ethics. But for those reluctant to accept Christianity (and land-value taxation is not proposed just for the Christian world), a more general validation is necessary - of the sort which would be acceptable to Hindus, Mohammedans, atheists, totem pole worshippers, and so on. History provides just such a generalised validation. Henry George starts where Emile de Laveleye leaves off.

Tocqueville and his "immortal work" is also relevant. His *Ancien Regime en France*, offers empirical evidence from history to support the claim that the taxation of land values stimulates economic activity and a free community, while other taxation is a

hindrance to progress.

Tocqueville's purpose in writing his book was to lay bare the cause of the French Revolution. One of these was the injustice of exempting the nobility from taxation, while the peasant proprietors were forced to pay taxes on their annual incomes, which were arbitrarily assessed by local citizens who acted as tax collectors on a rota basis. The agricultural arts had deteriorated, and Tocqueville quotes "a celebrated English agriculturist" (probably Arthur Young) as stating that "the agriculture I see before me is that of the tenth century". Tocqueville writes:

"... the oppression was shown less in the active evil done to these unfortunate persons than in the good which they were prevented from doing to themselves. They were free and owners of land, and yet they remained almost as ignorant as, and often more miserable than, the serfs, their ancestors. They remain unaffected by industry in the midst of prodigious advances of the arts, uncivilized in a world scintillating with enlightenment. While retaining the intelligence and the perspicacity peculiar to their race, they had not learnt how to use them; they could not even succeed in the cultivation of the soil - which was their only calling."

But one province of France, Languedoc, had managed to fight for its ancient rights in the face of the absolutism of monarchs. In a supplement to his book, Tocqueville latches on to the tax system used in Languedoc, which had over two million inhabitants in 2,000 communes.

Languedoc was distinguished by the fact that it was democratically administered locally; and most of the public works executed in the area were financed from locally-raised revenue. While other provinces spent almost nothing on themselves in public works, Languedoc stood out for the sums it spent. "The central government was sometimes disturbed at the sight of this great outlay," Tocqueville tells us. The money was spent on straightening beds of rivers, extending the canal, opening up and maintaining the port of Cette to commerce, draining marshland for agriculture and developing a good highway system. Forced labour was, in contrast with the rest of France, unknown: free labour was paid wages for the work they did. How was the money raised?

The tax fell on landed property, and did *not* vary according to the income. "It had as its fixed base open to view a carefully-made survey renewed every thirty years, in which the lands were divided into three classes according to their fertility. Each taxpayer knew in advance exactly the amount of tax that he had to pay ... did he think himself wronged in the assessment? He had always the right of demanding that his position should be compared with that of another inhabitant of the parish chosen by himself. It is what is called today the appeal to proportional equality." (p 135 of M. W. Patterson's translation, published by Blackwell's).

MARCH & APRIL, 1975

It could be that the tax also fell on the value of capital improvements on the land. Whether it did or not, it is clear that this was infinitely superior to the tax on incomes levied in the rest of the kingdom. Tocqueville writes:

"What I have said about public works can, with even greater right, be applied to that other equally important part of the public administration, which was concerned with the levy of taxes. It was in this sphere especially that, passing from the Kingdom to the Province, anyone would find it difficult to believe that he was still in the same Empire." (p 230)

So well administered was Languedoc, so good its credit, that the king borrowed money via Languedoc to obtain better terms than he himself could obtain! And when the king created new taxes, Languedoc found it more efficient to buy from him, at a very high price, the right to levy them in their own fashion.

The liberties of Languedoc were hated by kings and their evil courtiers. The constitution of the provinces was mutilated, then abolished, then restored and abolished again ... and France was the poorer for not learning the lessons of Languedoc.

ADVERTISEMENT

THINKING ABOUT LAND

One day conference to be held on Friday 4th
April at Ewell Technical College.

Topics to be covered:

Historical appraisal of land tenure in Britain;
Natural law and land tenure; Urban development and social discontent; Movement for return to the land; Work of groups dedicated toward proper use and distribution of land.

Societies with an interest in land from all points of view are invited to advertise their work at the conference.

Further details and booking forms from:

Mr. T. Reddick,
Dept. of Liberal Studies,
Ewell Technical College,
Reigate Road,
Ewell, Surrey.

Telephone 01 394 1731 Extn. 288

SPEAKERS: Leslie Blake, Roger Pincham,
V. H. Blundell