

**COMMON WEALTH DIVIDENDS: HISTORY AND THEORY**

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**Published by Palgrave Macmillan**

**PREVIEW**

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**Chapter 2: Thomas Paine and the perennial problem of land reform**

The winter of 1795-1796 was severe in France, and it came on the heels a record poor harvest. Inflation was rampant. With grave shortages of necessities, the death toll was appalling (McPhee 2006, 195; c.f. Conway 1895, 4368, Keane 2003, 426; LeFebvre 1984).

Thomas Paine, hero of the American and French Revolutions, was nearly among the victims of that cruel winter. A guest in Paris at the home of James Monroe, U.S. Minister to France, Paine was recovering from maladies acquired in prison, including typhus and a suppurating wound that doctors attributed to a “decaying rib.” In September of 1795, Monroe wrote that he feared that Paine might not survive the year. In November, a visitor found him suffering “incurably.” Rumors flew abroad that he had already expired (Hawke 1974, 315-16).

But Paine survived, and his health improved. In fact, over the course of that winter, the author of *Common Sense*, *The Rights of Man*, and *The Age of Reason* found the strength to take up his pen again and compose the last of his major works, the treatise that some scholars consider his neglected masterpiece: *Agrarian Justice* (Claeys 1989, 196).

*Agrarian Justice* was short and to the point. It was an antidote to the suffering of the masses. In brief, Paine argued that the Earth was given to all to enjoy, and therefore if some few (the land-owning classes) monopolized it, they owe compensation to the rest. Paine proposed taxing bequests of land and distributing the funds among all citizens in the form of a pension for the aged, plus seed capital for every young man and woman on reaching the age of 21. This would not be charity, but a just compensation for forgoing a birthright.

“There are two kinds of property,” Paine argued. “Firstly, natural property, or that which comes to us from the Creator of the universe—such as the earth, air, water. Secondly, artificial or acquired property—the invention of men.” Equality in the second category is neither possible nor a legitimate goal, for people have different gifts and they put forth different levels of effort. But “equality of natural property . . . or its equivalent” is both possible and just (Paine 1797 [1945], I/606-607). “Every proprietor, therefore, of cultivated lands, owes to the community a *ground-rent* . . . for the land which he holds” (Paine 1799 [1945], I/611). He proposed that there should be “paid to every person, when arrived at the age of twenty-one years, the sum of fifteen pounds sterling, as a compensation in part, for the loss of his or her natural inheritance . . . : And also, the sum of ten pounds per annum, during life to every person now living, of the age of fifty years, and to all others as they shall arrive at that age.”

This was a novel argument. It was, in fact, the first statement of the case for common wealth dividends, and it is frequently cited by advocates of basic income as a significant precedent. But although Paine’s argument was novel, it grew out of longstanding debates among European thinkers on property, land, and political equality. Before we inquire about the legacy of *Agrarian Justice*, we ask: Where does Paine’s proposal fit in those earlier debates, what made it unique, and how did Paine come by it?

***Natural law and property: A question of justice***

The starting point of Paine's argument, that the Earth was given to all mankind in common, was a premise with which many previous property theorists agreed. In the Christian world it took the form of an argument from Genesis, that the Earth was bequeathed to Adam and Eve.<sup>1</sup> The "primitive communism" of Eden held fascination and appeal as an ideal state, while actual (unequal) property relationships could be explained as a consequence of the original couple's fall from grace. Thomas Aquinas, the great systematic theologian of the High Middle Ages, captured this ambivalence. He argued that natural and divine law decreed that "all things are to be held in common and that there is to be no private possession" (as cited in Claeys 1987, 6). But in practice, communal living, "the apex of perfection," was an appropriate goal only for the most disciplined followers of Christ. For ordinary sinners, private property was an acceptable compromise arrangement. Holding a piece of mankind's common inheritance as private property, though, brought with it some obligations. "Men should not hold material things as their own but to the common benefit: each readily sharing them with others in their necessity." In other words, landowners had an obligation to aid the poor. Writes historian Gregory Claeys (1987, 7), quoting Aquinas: "In case the duties of property were neglected, this natural right [of the poor to sustenance] was so clear and strong. . . . that when the poor were in danger of starvation and had no other means of satisfying their need, they might 'take what is necessary from another's goods, either openly or by stealth,' and that this was not, 'strictly speaking, fraud or robbery.'"

Even as the basis for reasoning about property became more secular, the intuition that property holders had an obligation to the community persisted. Early "natural law" theorist Hugo Grotius postulated that the common ownership mankind originally enjoyed was not a positive community of goods, which requires active sharing, but a negative community of goods, in which the Earth and its fruits belonged to no one exclusively but were available for the taking. Grotius borrowed a metaphor from Cicero to explain the negative community of goods: "Although the theater is a public place, yet it is correct to say that the seat a man has taken belongs to him" (Salter 2001, 540). When mankind started cultivating the land, mixing his labor with God-given materials and storing produced items for future use, the concept of private property became necessary. Land became private property "by a kind of agreement," either explicitly by dividing it up or implicitly by occupying it (Salter 2001, 546). Against "Adamites" who argued that private property rights were granted to Adam and his descendants by God (and so were inviolable), Grotius viewed private property as a human convention, an agreement among people that had no divine sanction. And he retained the sense of communal obligation. "We must, in fact, consider what the intention was of those who first introduced private ownership; and we are forced to believe that it was their intention to depart as little as possible from natural equity . . . . Hence it follows, first, that in direst need the primitive right of use revives, as if community ownership had remained" (Salter 2001 549). In other words, the poor have a right to sustenance that trumps property rights.

Another seventeenth-century thinker whose views have had a lasting influence on modern conceptions of property is John Locke. Like Grotius and other natural law theorists, Locke believed that God granted the Earth to mankind as a negative community of goods, in which sharing was not required but individuals were free to take what was unclaimed. Unlike Grotius, Locke did not think that any consent, explicit or implicit, was necessary for a private individual to appropriate common property (Claeys 1987,

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<sup>1</sup> On pre-Christian precedents, see Claeys 1987, 5-6.

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11). All that was necessary to justly claim a piece of the commons, since one had a natural right to the work of one's hands, was to mix one's labor with it: to till the field.

In his doctrine, Locke drew tight boundaries on the extent of private property that an individual could justifiably take and hold. First, Locke believed a person could take only as much as he could legitimately "enjoy," or make good use of: "As much as any one can make use of to any advantage of life before it spoils; so much he may by his labour fix a Property in. Whatever is beyond this, is more than his share" (Locke 2017 [1690], 290; c.f. Salter 2001, 549). Second, Locke believed that an individual can fence off a piece of the commons as private property only when "enough, and as good" remains for others (Locke 2017 [1690], 288).

Like Aquinas and Grotius, Locke believed the propertied have an obligation not to allow the poor to starve. He labels this not justice but charity. "*Justice* gives every Man a Title to the product of his honest Industry," he writes, while "*Charity* gives every Man a Title to so much out of another's Plenty, as will keep him from extrem want, where he has no means to subsist otherwise" (Locke 2017 [1690], 170, orthography as in original; c.f. Salter 2001, 549).

Locke's restrictions on private property, if taken seriously, would quite seriously curtail the hoarding of land. The first restriction (that one may take only as much as one can "enjoy") would limit the size of estates. The second (that "enough, and as good" must remain for others) might prevent any new enclosures at all. But there is no indication that Locke took his own criteria seriously. He argued that one's property includes not only the land that one personally cultivates, but also that cultivated by *one's servant*—a loophole that great aristocratic estates can pass through (Locke 2017 [1690], 289). And he took it as an article of faith that he lived in a world that was far from full, with prime land free for the taking. Like many of his countrymen, he turned a willfully blind eye to the land management practices of the American Indians, for example, to preserve the illusion that land in the New World was "unoccupied" and consequently free for taking by Europeans. In Locke we see the schizophrenia of a thinker attempting to be logically and morally rigorous, but also committed to justifying the status quo.

In fact, each of the "mainstream" figures we have briefly looked at can be seen as attempting the same sort of balancing act, with greater or lesser success: attempting to reconcile an ethical ideal, that of equal rights to a divine gift of common land, with a practical reality, an inequitable distribution of land. There were other voices that made no such attempt at balance. On one hand were "Adamites" like the arch-conservative Robert Filmer, who justified the privileges of landowning classes and heaped scorn on the notion of equality (Tully 1982 55ff; Horne 1990 23ff). On the other side were radical egalitarians who sought to overturn the status quo. In the Christian world there had long been communes and monastic orders and minor sects that sought to hold property in common. The Reformation saw a flowering of new experiments: e.g., the revolutionary Anabaptist commune of Thomas Müntzer, and attempts by English "Diggers" to camp out on common land in defiance of gentry who would enclose it for private use. In Paine's own day, advocates of "agrarian law"—pooling land and holding it in common, or re-dividing it equitably—included Thomas Spence in England and François-Noël Babeuf in France.

The full title of Paine's pamphlet described agrarian justice as "opposed to agrarian law: and to agrarian monopoly." Like Aquinas, Grotius, and Locke, Paine can be seen as treading a middle course, attempting to reconcile actual property arrangements and an egalitarian ethical ideal. The "agrarian law" he rejects

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is the impractical collectivist or redistributist program of a Spence or Babeuf. The “agrarian monopoly” is the unjust status quo.

The middle course traced out by Paine is in some ways more satisfying than those of Aquinas, Grotius, and Locke. It is more militant than the others about the rights of the dispossessed. Not satisfied with mere sentiment, it specifies in concrete terms what the dispossessed are owed by the landowning classes. The compensation is articulated in terms of right, not charity. It applies universally, at all times, not just in times of famine and hardship. It promises to lift the dispossessed out of abject poverty, not merely to preserve them in poverty. And unlike Aquinas’s solution, it doesn’t demand breaches of law and ethics (theft and fraud) on the part of the poor.

On the other side as well, strangely enough, Paine’s solution can be seen as the most reassuring to possessors of property. The demands that Paine places on property owners (or rather inheritors) is well-defined. There is no open-ended obligation to compromise property rights in times of hardship. There is no justification for fraud and theft (as in Aquinas) or implicit threat to break apart large estates (as in Locke).

The point is not that Paine was necessarily cleverer than Aquinas, Grotius, and Locke. In a sense, Paine’s proposal was a product of its times. Paine’s proposal could not have been conceived except in a robust money economy, where land parcels of every size could easily be valued in cash and where the financial system was capable of distributing paper money to every corner of a nation. Paine’s proposal would have been inconceivable in Aquinas’s day. It would have been a technical challenge even in Paine’s own day. Our own twenty-first century commercial and financial infrastructure is well suited to it, as we will see illustrated in later chapters. But first we turn from the justice of Paine’s proposal to other considerations that also recommend it.

***Additional considerations: humanity and sustainability***

Paine takes pains to emphasize that his proposal is first and foremost a matter of justice, not charity or expediency. But he does make those other appeals as well.

He tugs at the heart-strings, asking his audience to look favorably on a plan that would relieve the misery of the poor. Civilization ought to be a blessing, he says. That the poor in civilized nations are actually worse off than were their ancestors who lived in a state of nature, worse off than the contemporary “savages” of North America, is a scandal that demands redress.

Furthermore, he argues that the reform he proposes will put modern European civilization on a more sustainable footing—sustainable in the sense of political stability. By eliminating abject poverty (the appeal to humanity) and reconciling the land-owning and landless classes (the appeal to justice) it will stabilize the social order, forestalling further revolutionary conflict. “It is necessary as well for the protection of property as for the sake of justice and humanity,” he writes, “to form a system that, while it preserves one part of society from wretchedness, shall secure the other from depredation” (Paine 1979 [1945], 1/620). Europe is in a revolutionary mood, he reminds his readers. “When, instead of drawing forth admiration, [affluence] is beheld as an insult upon wretchedness; . . . it is only in a system of justice that the possessor can contemplate security. . . . When the more riches a man acquires, the

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better it shall be for the general mass; it is then that antipathies will cease, and property be placed on the permanent basis of national interest and protection” (Paine 1797 [1945], I/620-21).

Here too, Paine is echoing a theme that resounds in both ancient and modern history. Inequitable distribution of land creates political instability. In the twentieth and twenty-first centuries, land reform has been a cause championed by radicals and revolutionaries, and also embraced by conservative regimes to forestall revolutionary challengers (e.g., Tai 1974, Lipton 2009, Powelson 1988, and the extensive literature on land reform in specific countries and regions). Land reform was a live issue in ancient Greece and Rome. The constitution given by Lycurgus to the Spartans required farmland to be divided into equal plots, assigned to individuals by the state, and this arguably gave the constitution durability (Plutarch 1914, 228-229). The reforms of Solon in Athens fell short of breaking up the large estates, and the resulting instability threw the polis into continued turmoil that ended (if it can be said to have ended at all) with the ascendancy of the party of the smallholders and landless (Plutarch 1914, 443-450; Tuma, 1965; Powelson 1988, 27-28). The historian Elias H. Tuma (1965, 28) reports that the land reforms introduced by the famous Gracchi brothers in Rome in the second century B.C. “used methods and responded to situations of disequilibrium and tension similar to those found in modern times, and similarly it was intended to prevent a revolution or political upheaval.”

Land reform has been a perennial issue because, as anthropologist David Graeber makes clear in his magisterial *Debt: The First 5,000 Years*, equal distribution of land is unstable in a money economy. If farmers are obliged to incur debt, some proportion inevitably default, forfeiting their property and their liberty. Over time those with more resources at their disposal tend to swallow up those with fewer, leading to the creation of an owning class and an underclass—and political instability.

There is more than one way to relieve the problem of politically destabilizing land consolidation. The solution that evolved in ancient Mesopotamia, the region that pioneered both settled agriculture and a money economy, was for each new king on assuming the throne to declare a general amnesty. Debt-slaves were freed and all property was returned to its original owner. And then conditions were permitted to deteriorate again. The ancient Israelites borrowed the practice in the form of regular “Jubilees.” Every fifty years, slaves were released and property ownership was reset.

Lycurgus, in addition to dictating equal plots for the Spartans, excluded market transactions in agricultural land. Solon and his successors in Athens, in addition to destroying the *horoi* (the mortgage stones that marked indebted property), forbade citizens to lend to each other with liberty as collateral. Those in need of financing could borrow from the state; those with surplus capital had to direct their investments elsewhere: e.g., in trade and in setting up new colonies (Tuma 1965, 23, 26). Colonial expansion served as a safety valve for the Athenians, as it would for others as well like the Phoenicians and the Romans. It was not only an outlet for surplus capital, it also provided careers and new land for younger sons. But colonial expansion was, of course, not really a sustainable strategy. Even when pursued successfully, it only lasted until diminishing returns on the size of empire set in (Tainter 1990). And conquered populations only added to the dispossessed underclass. The practice of rewarding soldiers by settling them on the land of the conquered was a common one in the ancient world. Lycurgus’s Spartans were settlers in hostile and enslaved territory. As Alexander the Great marched through Asia he left in his wake a string of settlements populated by retired Macedonian soldiers. In the modern world, too, spoils went to victors. Paine’s own landholding, a small farm on Long Island, was the

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confiscated property of a British loyalist, granted to Paine by the State of New York for his service in the struggle with Britain.

The “agrarian law” to which Paine referred in the title of his pamphlet derives from *lex agraria*, the term given to the Gracchi brothers’ reforms in Rome. The program of Tiberius and Gaius Gracchus was to ease revolutionary discontent by capping the amount of public (conquered) land wealthy Romans could hold and distributing the excess in small plots to Rome’s poor (Plutarch 1921, 165; Tuma 1965 31ff; Powelson 1988, 37-38). In time, the expression “agrarian law” carried connotations of either redistribution in individual plots (as the Gracchi proposed) or holding land in common (like the Spartans).

What about non-agricultural societies? Are they subject to the same dynamic? In describing “what the state of society ought to be,” Paine holds up the North American Indians as representative of the “natural and primitive state of man.” In the natural state, according to Paine, “every man [is] born to property. He [is] a joint life proprietor with the rest in the property of the soil, and in all its natural productions, vegetable and animal” (Paine 1797 [1945], 1/610-11). Here Paine (like many other Europeans had done, and would continue to do) idealizes Native American societies for his own rhetorical purposes. In fact, Native American societies too recognized rights to land use and had to deal with issues of apportionment. The Penobscots of the Maine coast, to take one concrete example, periodically redistributed the rights of member families to forage and hunt in different areas to reflect demographic shifts (NPS 2007, 34-36). And demographic pressure—demand for more and better land—was one reason why hunting, gathering, and horticultural societies went to war.

But there were important differences as well between foraging and farming societies. First, land had multiple uses in pre-agricultural societies, so the right to forage and the right to hunt game (for example) on one and the same parcel of land could be held by two different groups. Certain uses might be restricted to particular families or lineages, other uses open to all members of the tribe, and still others (such as rights of free passage) to all non-hostile comers. It would be fair to say that such customs persisted because they were “sustainable” in the sense that they promoted survival and minimized conflict. Second, with comparatively little effort spent “improving” (as Europeans would say) the land, it was relatively easy for Native American societies like the Penobscots to carry out periodic reapportionment. Third, most pre-agricultural societies were mobile and did not store surpluses, so there was not much “stuff” to quarrel over, not much opportunity for invidious distinctions between groups or classes to take hold. Those who held leadership roles generally did so by virtue of talent and charisma and exertion. Europeans who encountered such leaders often thought of them as aristocrats or royalty, but really they were what anthropologists call “big men.” Big men lead by persuasion and example and gift-giving; they have no power to compel obedience. In fact, one common feature of pre-agricultural societies is what anthropologists call “counter-dominance.” People resent being dominated, so they use tactics ranging from ridicule to ostracism and violence to rid themselves of self-proclaimed “leaders” who become domineering (Erdal and Whiten 1996; c.f. Boehm 2009). Whereas oppressed agriculturalists are chained to a plot of land, hunters and gathers can easily pick up stakes and leave an obnoxious “leader” behind. Not uncommonly, disagreements in foraging societies are resolved by fission rather than violence: groups split up and go their separate ways. So in this sense Paine is correct. It is

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ready access to the Earth and its fruits that enables pre-agricultural peoples to avoid the problems of economic inequality and political domination and revolutionary reaction that plague civilization.

What about “post-agricultural” society, our own industrial and post-industrial civilization? Already in Paine’s day, England had begun to organize itself in ways that effectively disconnected economic security from land-holding, and other so-called “advanced” societies were following close behind. In the discussion above we have used the terms “land” and “property” practically interchangeably, because before the modern era land was the most salient type of property, the most important source of wealth and security. With the industrial revolution, and the advances in agricultural production and finance that went along with it, the nature of economic security changed. Now large segments of the population could enjoy economic security from ownership and employment in sectors of the economy that had once been niches: commerce, manufacturing, finance, the professions, civil and military service. One result has been consolidation of arable land on a scale virtually unprecedented in history. To take the United States as perhaps the most dramatic example, the proportion of the workforce that engaged in farming fell from 41% in 1900 to less than 2% in 2000 (Dimitri et al 2005). Since those who have left the land in the United States are on the whole much better off than the sans-culottes in Louis XVI’s Paris, is Paine’s argument (and that of Aquinas and the others) moot? Does unequal access to the Earth and its fruits no longer matter? Later chapters will take of the question of distribution of common wealth in domains other than land.

Paine’s warning in *Agrarian Justice* that depriving the landless of their share of the common wealth would lead to political instability—no peace without (agrarian) justice—was prescient. In the same miserable winter of 1795-96 that Paine was composing the pamphlet, the agitator François-Noël Babeuf—who had adopted the nom de plume “Gracchus” Babeuf—was leading a party of discontented radicals, organized as a “Committee for Public Safety,” to secretly plot the overthrow of the new bourgeois republican regime and replace it with one built on agrarian law (on the Spartan model, with property held in common). By May 1796, the plot was discovered and the conspirators arrested. Babeuf was executed a year later. When Paine finally published the pamphlet in 1797, he added a preface addressed to the French government, urging the new regime to adopt his plan as a way of preventing such revolts as Babeuf’s from occurring again in the future.

***Paine’s backstory***

To understand how Paine reached that point, let us turn back the clock and trace Paine’s career following the American War of Independence. The celebrated author of *Common Sense*, as we already noted, was granted a small farm after the war by New York State as a thank you for his services. There Paine turned to gentlemanly pursuits in science and civil engineering. Intent on spanning the Schuylkill River at Philadelphia with an iron bridge of his own design, in 1787 he travelled to Europe to obtain financial backing. As he commuted between Britain and France he was drawn into politics in both countries. With the outbreak of the French Revolution, he took a lead role in propagandizing for the founding of a republic in France rather than a constitutional monarchy. In England he countered the influential *Reflections on the Revolution in France*, written by his one-time ally Edmund Burke, with *The Rights of Man*, which justified the French revolution and commented scathingly on the British

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aristocracy and monarchy. When Paine had a cheap edition of *Rights* published for consumption by the lower classes, the government's agents chased him out of the country, tried him in absentia, and sentenced him to hang.

Exiled to France, Paine immediately accepted a nomination to serve as a deputy in the French National Convention, where (with the help of translators) he took a prominent role, including serving on a constitution-drafting committee and urging the Convention to spare the life of King Louis XVI, who had been apprehended while attempting to flee the country. Louis was condemned to death by the narrowest of margins, and executed. By this time the Assembly had devolved into two implacable factions. The Jacobins, in combination with the Parisian mobs, got the upper hand and began arresting, trying, and executing members of the Girondin faction, with which Paine was associated. Paine retired to a hotel outside the city, wrote a treatise on his Deist faith, *The Age of Reason*, and waited for his inevitable arrest, which came on December 28, 1793. The U.S. Minister to France, Gouverneur Morris, who was not an admirer of Paine, made only feeble attempts to help him. Paine was shut in the Luxembourg prison for ten months.

During the height of the Jacobins' Reign of Terror, dozens of people were carted off daily from the prison to the guillotine. "No man could count upon life for twenty-four hours," Paine later wrote (Hawke 300). Paine developed a fever and was moved to a larger cell where he was nursed by three Belgian prisoners. Whether through luck, or their own wits, or the cooperation of the prison guards, the four of them narrowly escaped execution. On the morning of July 25, 1794, a "4" was chalked on the cell door to indicate that all four occupants were to be executed. But the mark was placed on the in-facing side of the door, since the Belgians had prevailed upon the guards to leave the door open during the day to give the semi-conscious Paine some fresh air. In the evening, the door was closed and the mark hidden from the execution party, which passed them by. Within a few days, before the error had been discovered by the authorities, the Jacobin party had been overthrown and the executions ceased. Shortly after, Monroe arrived in Paris to relieve Morris as U.S. Minister, and before the end of the year he had sought and received Paine's freedom. As Monroe explained in a letter to James Madison, he had found Paine "in extreme ill health, without resources, & (affairs being unsettled) not without apprehension of personal danger . . . . From motives that will readily occur to you I invited him to take a room in my house" (Monroe 1898, 440).

Although Paine was reinstated in the Convention and given back pay, he did not make a habit of attending. He remained at Monroe's residence, and when his health permitted he continued to write. He did, however, make one more notable contribution to the work of the Convention. He was asked to comment on a new draft Constitution, and he appeared in person with an interpreter to present his views. On the whole, he approved the new document. But he strongly objected to the limitation on the franchise. Only former soldiers and those who were wealthy enough to pay direct taxes would be permitted to vote. "To deprive half the people in a nation of their rights as citizens" Paine considered a gross violation of republican principles and "a most dangerous experiment" (Paine 1797 [1945], II/590). We saw above the prescience of this remark: within a year the new regime faced a revolt by the disenfranchised under Babeuf.

When he composed *Agrarian Justice* in the winter of 1795-96, after his bout with a recurrence of "jail fever" (typhus), he might still have had the defect in the French constitution on his mind. The franchise,

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he may have reasoned, ought to be universal. If a minimum of wealth is a prerequisite for the franchise, why then should not every person in the nation be endowed with a minimum of wealth? A commitment to political equality could have tugged Paine to invent and articulate the argument for economic justice in *Agrarian Justice* (Keane 1995, 427). The connection is not drawn explicitly in the essay itself, but it is in the dedication. Referring to the flaw in the new French constitution, he writes in the dedication that “the right of voting . . . is inherent in the word liberty, and constitutes the equality of personal rights. But even if that right (of voting) were inherent in property, which I deny, the right of suffrage would still belong to all equally, because . . . *all individuals have legitimate birthrights in a certain species of property*” (Paine 1797 [1945], I/607; emphasis added).

To be sure, *Agrarian Justice* was not the first time Paine had written on economic justice. The second part of *The Rights of Man*, written only a few years earlier, includes some of the same elements, but without the same forceful, compact argument. There, Paine argues a soak-the-rich policy of progressive taxation on large British estates, justified by the government’s own logic of taxing luxuries. “If they or their champion, Mr. Burke, . . . can prove that an estate of twenty, thirty, or forty thousand pounds is not a luxury, I will give up the argument,” he writes (Paine 1797 [1945], I/434). The tax will provide an incentive for landed families to distribute their wealth more equitably among younger sons and poor relations, of which “every aristocratic family has an appendage” (Paine 1797 [1945], I/439). It will also generate an enormous amount of public revenue. This revenue, in combination with saving from cessation of the wasteful, unnecessary war with revolutionary France, could be spent on a wide range of socially useful items, Paine argues, and he provides a list: not only pensions for the elderly and seed money for young adults (upon marriage, in this case), but also tax relief for the poor and middle classes, employment for the able-bodied poor, education for poor children, and funeral expenses for “persons traveling for work, or dying at a distance from their friends” (Paine 1797 [1945], I/440). There is no priority order or logical progression in this list; it appears to be off the top of his head. Land-reform arguments do not make an appearance. What changed between *Rights of Man* and *Agrarian Justice*? Maybe simply a few years of reflection and reading. Maybe the prospect of death in the Luxembourg prison concentrated his mind wonderfully. Certainly the defect in the French constitution prompted him to think about the question of property in a new light, as we have seen. In any case, *Agrarian Justice* reflects a certain maturity in Paine’s thinking. It takes elements of his earlier writing and compresses them into a single, self-contained and (it would seem) quite compelling argument.

***The reception of Agrarian Justice***

Paine sat on the essay for over a year. He had considered deferring publication until the war between France and England should end, according to the preface he wrote for it in 1797—perhaps thinking that his proposals would get a more attentive hearing in peacetime. But he finally had it published in March of 1797, while making abortive plans to leave for America. (In the end he judged it too risky for a fugitive from British justice to cross the Atlantic, and he returned from Le Havre to Paris.) The pamphlet was published in Paris and London, and soon editions appeared as well in Edinburgh, Dublin, Cork, New York, Philadelphia, Baltimore, and Albany, as well as in German translation in Neustrelitz (Ranalli 2020).

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*Agrarian Justice* reached a wide audience, but no government lifted a finger to put the proposal into effect. In France, Paine no longer had any official role once the Constitution of 1795 was established and a government (the Directory) was elected. Political and military developments continued at a frantic pace. Napoleon Bonaparte, whose phenomenal rise to power began around the time the pamphlet was written, consulted Paine on the best way to land an amphibious invasion of Britain, but Paine no longer had influence among the nation's legislators. When the war between Britain and France concluded in 1802 and it was safe for him to travel by sea, he departed for America.

In the United States, Paine was no longer a national hero. In the mind of the public he had been tainted by French radicalism and atheism. A bitter open letter denouncing George Washington, who Paine believed had deliberately allowed him to languish in prison in France, did not win him sympathy. Paine was shunned by some: stagecoach drivers refused him service; mobs jeered and threw rocks (Nelson 2007, 312). Further, the defeat of the conservative Federalist party and the ascendancy of the Democratic-Republicans in the 1800 election took some wind out of the sails of radicalism in the U.S. (Cotlar 2011, 158-59; Ranalli, 2020). This was not fertile ground for new writings like *Agrarian Justice*, even if his handful of remaining friends, including President Thomas Jefferson, held sympathetic views.

British authorities continued to treat "Tom Paine" (as they called him derisively) and his ideas as dangerous and subversive. The war with Republican and Napoleonic France made British society more conservative on the whole. What radicals remained were divided on Paine's legacy. The bookseller John Bone wrote to a friend that the pamphlet "met the Approbation of those I have conversed with about it, and think it does win them to our Cause." Thomas Spence, on the other hand, denounced Paine's proposal as wholly inadequate to address the urgent needs of the poor. In *The Rights of Infants*, Spence proposed instead putting land in the hands of communities, to be administered for the benefit of all (i.e., "agrarian law" along the lines of Sparta and the late Babeuf).

### ***After Paine***

Although Paine's idea of issuing financial dividends based on common ownership of common resources was not revived as a serious policy proposal until the 1970s (in Alaska, as described in Chapter 3), others continued to explore the natural law principle of common inheritance, the principle that Spence attributed to "The Psalmist [and] Mr. Locke" as well as "Mr. Paine": that "God hath given the earth to the children of men, given it to mankind in common" (Spence 1797, preface).

In addition to political radicals like Spence and Babeuf who would forcibly appropriate private lands and assign them to the community, there were reformers who sought to reach similar ends by more moderate means. One of the best-known of these was Robert Owen, the Welsh businessman and philanthropist who had demonstrated to a skeptical British public that it could be profitable to look after the basic needs of factory workers and their families. He built schools and a community center, phased out child labor, and established a sick fund for his employees. Dreaming even bigger, he envisioned entire townships managed as co-operative enterprises with land held in common. He travelled to the United States to establish a model planned community in Indiana that he dubbed "New Harmony." Like most utopian communal experiments of the era, this one was short-lived (Cole 1953, 71, 88, 91, 152-54; Undiscovered Scotland 2017).

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When Owen passed through New York City on his way to Indiana, he was interrogated by the leader of the local land reform party, George H. Evans. Evans challenged Owen to explain how he proposed to obtain the land for the community. Owen replied, Evans reports, “that as he had always seen the land bought and sold, he expected to buy it.” Evans was not satisfied. This method might work as a one-off for a wealthy dilettante, but it did not solve the more general problem of how the “hireling, landless tenant” would get his fair share of the soil. Evans’s party had other ideas. They believed that “the land should never [be] bought or sold, any more than the bodies of men” (Masquerier 1877, 97).

According to Evans and other members of the New-York-based National Land Reform Association, the principle that the Earth belongs equally to all implies that each person ought to have an equal share of its surface. In practice, they thought that unoccupied land in the United States ought to be divided into parcels of no smaller than 40 acres, and that these should be assigned to landless households. There would be no buying and selling of land, no hoarding and speculation, no taxation. Large estates would not be forcibly appropriated, but would be divided among heirs until they reached the appropriate size. The land reform party put pressure on candidates for political office to endorse their principles. Their lobbying met with some success. Several states passed homestead exemption laws, protecting smallholders from forced sale due to debt. In 1862 the federal government passed a Homestead Law granting settlers in the Western territories the ownership of plots of limited size if they occupied and cultivated them. Despite these impressive achievements, Evans’ friend Lewis Masquerier considered it a disappointment that the party never secured a law “limiting the quantity of land any man may purchase as their own” (Masquerier 1877, 96-97).

Evans was an admirer of Thomas Paine and *Agrarian Justice*. A printer by trade, in 1835 he published an edition of the complete political works of Thomas Paine, including *Agrarian Justice*. Despite his affinity for Paine, he claimed that he had formed his own views on land reform independently (Zahler 1941, 22).

In fact, Evans’s practical program was more in line with the views of Thomas Jefferson than those of Thomas Paine. Jefferson had written that “the earth is given as a common stock for man to labor 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 labor the earth returns to the unemployed.” Jefferson had drafted a bill in 1778 for the Virginia legislature that would have granted 75 acres of Commonwealth land to (freeborn) landless married couples. And “the abolition of primogeniture, and equal partition of inheritances” Jefferson considered “the best of all Agrarian laws” (Katz 1977, 15-17).

Another approach to the problem of sharing the Earth as a common inheritance would be to levy a tax on land and have the government spend the money for the benefit of the community rather than (as Paine had proposed) distribute it as dividends. In Scotland, Patrick Edward Dove advocated this view. “This the true . . . theory of a *Nation*—that the soil belongs to it in perpetuity, and never can be alienated from it; and that he who gives the greatest rent for the soil becomes its cultivator, and pays the rent to the nation for the benefit of the whole community” (Dove 1854, 330). Like Paine’s ground-rent, Dove’s “rent” is really what we would call a tax. The London-based Irish reformer James Bronterre O’Brien offered a slightly different vision: the state should buy up land piecemeal as it became available on the open market, and then charge an actual rent (Turner 2012, 15). But the most influential

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proponent of this type of solution was an American, an individual who became one of the most celebrated writers and reformers of the second half of the nineteenth century: Henry George.

George, like Evans and Paine, worked in the printing trade. He was haunted by the poverty he experienced in his own early adulthood, and the poverty he witnessed around him in the rapidly modernizing cities of Philadelphia, San Francisco, and New York. His major piece of writing, *Progress and Poverty*, sought to explain the connection between those two phenomena. How was it possible that progress in civilization—growth in population, advances in construction, manufacture, commerce, arts and sciences, etc.—was not ameliorating poverty, but (as he saw it) exacerbating it? The answer, he explains, came to him in an epiphany one afternoon while riding on horseback in the hills overlooking the San Francisco Bay.

Stopping for breath, I asked a passing teamster, for want of something better to say, what land was worth there. He pointed to some cows grazing off so far that they looked like mice and said: "I don't know exactly, but there is a man over there who will sell some land for a thousand dollars an acre." Like a flash it came upon me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who work it must pay more for the privilege. I turned back, amidst quiet thought, to the perception that then came to me and has been with me ever since (George, Jr. 1900, 210).

Whereas John Locke thought so much land was available in the New World that "enough, and as good" would always be available for new comers, George stood face to face with the abyss of the Pacific Ocean. There was (or soon would be) no new land for the taking. With every step in the direction of "progress," the value of land would rise, deepening the economic disadvantage of the landless. And since, despite the best efforts of Evans and company, there was no cap on the amount a person could own and no restriction on buying and selling, land was ripe for speculation. An investor could make a killing by simply purchasing land like those hills around San Francisco, leaving it empty, and waiting for the value to rise. While speculation rewards the investor, it punishes those who would make productive use of the land if they could access it at a reasonable price--the farmer and the manufacturer and the skilled and unskilled laborers they would employ.

George's *Progress and Poverty* explained this dilemma and proposed a solution: a tax on land. The tax should be high enough to capture the full market value of the rent that a landlord could collect at that location. This would have several effects. First, it would eliminate the incentive to hoard and speculate in land. Holding land would be expensive, so people would only hold on to as much as they intend to use. Second, the tax would ensure that land is put to its most efficient, profitable use. This would dramatically expand economic activity. Third, the tax would raise revenue for the government. It would raise revenue so effectively that government would require for its support no other taxes or fees or customs or quotas. For this reason, George called his proposed land tax the "single tax."

George was so focused on the benefits of siphoning rent out of the economy that the question of what to do with the tax money was secondary. He recognized that the funds raised via the single tax belonged to the community and accepted that government should spend or manage it for the benefit of the community. But as contemporary critics pointed out, the tax would raise far more money than a nineteenth century government required. (Later critics, in the twentieth century, would make the

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reverse argument, that a “single tax” on land would not provide enough revenue to support the emerging welfare state (Cord 1984). For all that, official statistics systematically undervalue land, so a land tax could generate much more revenue than is commonly acknowledged (Gaffney 2009).)

Why not distribute some of the money to members of the community as dividends? This was not on the top of George’s mind when he wrote *Progress and Poverty*. George was a firm believer in the Protestant work ethic. Like many Americans, he thought work instilled virtues like discipline and frugality and self-respect. George considered land speculators degenerate in their idle accumulation of wealth, much as Paine and others had inveighed against the moral degeneracy of the European landed aristocracy. George was convinced that the Single Tax, by changing the incentives for landholding, would create economic conditions in which anyone with initiative would find work and opportunities for entrepreneurship.

Nevertheless, he did endorse Paine’s concept. In an April 1885 speech, he spoke of using Single Tax revenue to support widows, orphans, and the elderly. “Out of the fund . . . , we might, without degradation to anybody, provide enough to actually secure from want all who were deprived of their natural protectors or met with accident, or any man who should grow so old that he could not work.” And he directly addressed the work-ethic objection. “All prating that is heard from some quarters about its hurting the common people to give them what they do not work for is humbug. The truth is, that anything that injures self-respect, degrades, does harm; but if you give it as a right, as something to which every citizen is entitled to, it does not degrade. Charity schools do degrade children that are sent to them, but public schools do not” (George 1885a [1900], 217-18). A few months later, in July 1885, George repeated this argument: “I think a payment might well be made to the citizen when he came to the age at which active powers decline that would enable him to feed and clothe himself for the remainder of his life” (George 1885b [1900], 228).

While there is no direct evidence that George read Paine, he left a hint in the April 1885 speech that some auditor or correspondent may have clued him in about Paine’s pamphlet, or at least nudged him in the direction of Paine’s thinking. “As an English friend of mine puts it: *No taxes and a pension for everybody*; and why should it not be?” (George 1885a [1900], 217-18)

In fact, in the July 1885 publication George goes even a step further. Pressed by an interlocutor to say what should be done with revenue in excess of what government requires, he answers: “If it were to appear that further extension of the functions of government would involve demoralization, then the surplus revenue might be *divided per capita*” (George 1885b [1900], 233, emphasis added). Here George goes beyond Paine (who proposed only pensions and seed capital), right to the idea of universal dividends. This remark by George puts him directly in line with modern thinkers who will be discussed in the coming chapters. George’s thinking, we must conclude, was more flexible than he has often been given credit for (see even this author’s evaluation in Ranalli, 2020). Nevertheless, because George envisioned the tax being used first and foremost to fund government and Paine viewed payments to individuals as the primary purpose of the revenue, it still makes sense to maintain the conventional distinction between those two approaches as “Georgeist” and “Paineite.”<sup>2</sup>

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<sup>2</sup> Social conditions might have made the idea of direct payment to individuals a harder sell in George’s time and milieu than Paine’s. Paine’s proposal that English and French nobles and gentry share a portion of their financial

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George's land-tax proposal was enormously influential. Though he was ridiculed as a one-trick pony and a practitioner of an outmoded form of economics (viz., the classical economics of Adam Smith and David Ricardo) by the new guild of academic economists, whose math-heavy re-invention of the discipline would be dubbed "neo-classical," George heaped scorn on them in return as pedantic and out of touch with real-world problems. And he reached a much wider reading public than any academic economist. From the 1879 publication of *Progress and Poverty* until his death in 1897, George was much in demand as a writer and speaker, both in the U.S. and abroad. He lent his weight to many pressing issues of the day, including free trade, women's suffrage, and the secret ballot. He ran twice for mayor of New York City.

George left behind a movement committed to studying and promoting his land tax, including perceptive readers who recognized the resemblance between George's proposal and Paine's (e.g., Ingersoll 1920, 94; Murray 1910). Some enthusiastic adherents gathered to found new townships expressly on Georgist principles, such as Fairhope, Alabama and Arden, Delaware. More broadly, Georgist principles have influenced tax codes on several continents. Denmark, Australia, New Zealand, and the "Asian tigers" have made good use of them. Some cities in the U.S., like Pittsburgh, Allentown, and Harrisburg in Pennsylvania, have experimented with hybrid real estate taxes, levying a higher tax rate on land than on buildings and other improvements. Commentators generally agree that such policies encourage denser development and create more walkable neighborhoods, among other benefits (Andelson, 2001). Contemporary Georgists acknowledge the trade-offs that may occur between land-tax-induced dense development and community preferences for extensive uses of urban land such as green-space and gardens (Hartzok 2010).

While Paine's proposal to distribute dividends from land rents made little headway for nearly two centuries and was largely overshadowed by the land-tax solution of Henry George, the principle was independently resurrected and applied to oil wealth in Alaska in the 1970s. The Alaska Permanent Fund and Permanent Fund Dividend, discussed in the next chapter, have become models, much-studied and imitated, of Paine-style common wealth dividends in action.

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security with their poor tenants and neighbors would have run up against class-based prejudices, but *noblesse oblige* was a well-established principle. George's post-bellum United States was much less homogenous; it was a land of immigrants and a former slave society. It is likely that the idea of universal dividends, if George had pressed it, would have been met with race prejudice and xenophobia as well as class prejudice. Over a century later, although the United States has made progress in living up to its egalitarian ideals (and conversely, as European nations have become more ethnically diverse), racism and ambivalence about immigrants still present a stumbling block for basic income advocacy.

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