

effect of a tax taking a part of this rental is to *decrease* the market value of the land. If *all* the rental could be taken by the government, the market value of the land itself would be reduced practically to *nil*.

Adam Smith and the Physiocrats

THE Science of Political Economy," Henry George's unfinished work, is not so well known, even to Single Taxers, that quotations from it in the REVIEW will seem inappropriate. His references to the Physiocrats, whom he termed the Single Taxers of the Eighteenth Century, are of special interest.

The leader of this group of economic thinkers was Quesnay, who was born in 1694, at Mercy, near Paris. He was a farmer's son and taught himself to read. Later he was apprenticed to a surgeon and became a doctor.

Through the influence of Marshal de Noilles he became physician to Louis XV. The King made him a noble, gave him a coat of arms, assigned him an apartment in the palace of the King, and had his books printed in the royal printing office. The King affectionately called him his "thinker."

In his apartment in the palace of Versailles, Quesnay and other eminent men of the court met. Their aim was the establishment of justice and the abolition of poverty.

"They saw that there is but one source on which men can draw for all their material needs—land: and that there is but one means by which land can be made to yield to their desires—labor."

They believed in raising revenue from land values and advocated the abolition of all taxes on wealth. They were free traders.

Turgot was educated for the church, studied law and was appointed Minister of Finance by Louis XVI. This happened three months before Quesnay's death. Turgot had taxes taken off industry and placed on land. The nobles of France, who owned the land, were very much opposed to Turgot and he was removed, holding office only about a year and a half.

The Physiocrats were overthrown, many perished on the guillotine, in prison, or in exile.

Henry George says, "France will some day honor among the noblest the centuries have given her, the names of Quesnay, Turgot, Mirabeau, Condorcet, Dupont, and their fellows."

Quesnay, and not Adam Smith, should have gone down in history as the father of political economy. Smith, born twenty years after Quesnay, was professor of moral philosophy (on which subject he wrote a book) at the Glasgow University, resigning this position to become tutor to the young Duke of Buccleugh.

On a continental trip made with the Duke between 1764 and 1766, he became acquainted while in Paris with Quesnay, and was a frequent and welcome visitor to the apart-

ment of Quesnay in the palace of the King, where they discussed matters of the highest and permanent interest to mankind.

On his return home Adam Smith began the work on "The Inquiry into the Nature and Causes of the Wealth of Nations." He was engaged on this for a period of ten years. He was able to do this because of a pension given to him by the Duke. The work made him famous.

After the book was finished Adam Smith was appointed Commissioner of Customs in Scotland. At the time of his death he was Lord Rector of Glasgow University.

Smith did not propose an inquiry into the nature and causes of wealth, but "An Inquiry into the Nature and Causes of the Wealth of Nations." By "nations" he had reference to political organisms. Adam Smith did not define wealth as clearly as had the Physiocrats. To them wealth must have material existence and must come from the land. Wealth was the gross product of the application of labor to land. The current notion of Smith's time was that the precious metals were the chief wealth of nations.

Legislation was based on that notion. Smith attacked and overthrew it, and his chief claim to distinction is that he destroyed the so-called "mercantile theory" and with it the prevailing protectionist theories of his time.

But in his work of reconstructing the edifice of political economy he not infrequently fell into the same erroneous notions which it was his chief purpose to destroy. Thus in one place, as George points out, he includes personal qualities and debts as wealth. George attributed these errors to the fact that what Smith thought could be accomplished was less than what the Physiocrats aimed at. He had already advanced to a point where his ideas were considered revolutionary.

It must be remembered that his message was addressed to the cultured and comfortable classes who believed in the existing social order. Adam Smith avoided antagonizing the landed interests. George has told us that there were few axioms in Smith that co-relate and hold together. "But such was his genius and prudence that he got a hearing where more daring thinkers failed and a science of political economy began to grow on his foundations." He passed over the subject of the relation of men to the land, accepting the fact that most of the land had been appropriated by a few as though that was the natural order." "There are," says Henry George, "passage in 'The Wealth of Nations' where Adam Smith checks his inquiry with a suddenness that shows an indisposition to venture on ground that the possessing classes would deem dangerous."

And just before his death he destroyed all his manuscripts he did not wish published. And so, though the Physiocrats were too greatly concerned with the agricultural use of land to the most absolute neglect of its urban relation, the greater glory is theirs while the greater fame is Smith's, with whom the title, "Father of Political Economy," has not ceased to be associated.

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