



Thomas Paine (1737-1809) and Thomas Spence (1750-1814) on land ownership, land taxes and the provision of citizens' dividend

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Abstract

Purpose – The aim of this paper is to outline and compare the land ownership, land taxes and citizens' dividend proposals by Thomas Paine and Thomas Spence.

Design/methodology/approach – Paine wrote "Agrarian justice" in which he argued that every proprietor of cultivated land owes to the society a ground-rent for the land which the person holds because it is common property. This ground rent would take the form of a tax per year of 10 per cent on inheritances. It is this ground-rent that would fund the payments made to every person based on some age restrictions. In response, Spence wrote "The rights of infants" in which he went a step further as he recommended the abolition of aristocracy. As a result, there would have been common ownership of land and revenue derived from land would be administered by the parishes and distributed to everyone equally.

Findings – In assessing the two proposals using the citizens' dividend criterion, each proposal has consistent and inconsistent elements.

Practical implications – It can be argued that the two proposals are primitive versions of citizens' dividend as espoused today.

Originality/value – The paper contributes to knowledge regarding the debate at the time. During that period, public opinion associated classical political economy with a resolute denial of the right to subsistence to the poor and vigorous opposition to the English Poor Law based on the ideas of Malthus. Students of social economics would benefit from this paper in placing on equal footing in the historical debate the counter-proposals to the dominant position at the time.

Keywords Economic history, Land, Taxes

Paper type Conceptual paper

1. Introduction

During the period of the industrial revolution, there is no doubt that the standard of living of the poor fell sharply in relation to the standards of the other classes. The working class lived near the subsistence level in 1750 and their standard of living was further deteriorating. During the same time supporters of *laissez-faire* competitive capitalism campaigned vigorously for the abolition of the Speenhamland system of poor relief. Until the sixteenth-century Protestant Reformation in England, virtually all of welfare was the responsibility of the Catholic Church. With the breakdown of feudal relations and the reduction of the influence of Catholicism in England, the Tudor monarchs experimented for half a century with providing assistance to the poor. At the end, during the reign of Queen Elizabeth I in 1601, a firm fiscal base for poor relief was established. The "Speenhamland Law" was initiated in 1795 according to which

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"subsidies in aid of wages should be granted on a scale dependent upon the price of bread, so that a minimum income should be granted to the poor *irrespective of their earning*" (Polanyi, 1957, pp. 77-8; emphasis original). Classical economists from Adam Smith and David Ricardo to John Stuart Mill approached the poor laws with resentment (Persky, 1997, p. 182).

The Speenhamland system was – continuing in the tradition of the Elizabethan Statute of Artificers – the result of the Christian paternalistic ethic. It held that unfortunates would be entitled to a certain minimum living standard whether employed or not. However, the subsidy depressed wages below the relief level in many cases (with the parish taxes making up the difference) and severely limited labor mobility. But most of the arguments against the Speenhamland system were not confined to these negative features. Classical economists were opposed to any government aid to the poor and many of their arguments were based on the ideas of Malthus (Hunt, 1992, p. 85). Malthus created a framework in which people were stigmatized for being consumers instead of the traditional role associated with being producers (Chase, 1988, p. 184). Malthus rejected all schemes that would redistribute wealth or income. This is because such redistribution would merely increase the number of poor and thus in the long run return them to the subsistence level. As such, redistribution would not raise the poor's standard of living in the long run, since the redistribution would encourage the poor to have more children. Malthus together with the other classical economists tried to convince policy makers of the time that poverty is inevitable, that very little or nothing can be done about it since poverty is due to the weakness or moral inferiority of the poor (Hunt, 1992, p. 96). Hence, in the first edition of his *Essay*, Malthus (1798, pp. 36-7) advocated "the total abolition of all the present parish laws". Thus, at the time, public opinion associated classical political economy with a resolute denial of the right to subsistence to the poor and vigorous opposition to the English Poor Law (Gilbert, 1988, p. 153). Anti-Malthusianism had to aim to reposition labor capability in its traditional role of releasing and enhancing nature and the potentiality for abundance. Those who rejected Malthus ideas in fact rejected an untouched, unsubdued and untamed "natural" nature in favor of emphasizing cultivation and productivity. Unproductive nature was unnatural as "the whole earth [should] be as the Garden of Eden" Spence declared (Chase, 1988, p. 184).

2. Thomas Paine (1737-1809)

As a result, the debate, at the time, was confined on whether or not the poor should have a clear entitlement to subsistence even though willing to work cannot either find employment or cannot subsist by labor. In defense of the poor laws some writers argued that the poor have a "right to subsistence" as a matter of justice (Woodward, Sadler, Read, Scrope). Others made the case for public assistance on policy grounds, arguing that it will have positive externalities for the economy and/or it is effective in maintaining political stability (Lloyd, Turgot, Cordorcet). One of the more radical exponents of the rights of the poor was Thomas Paine, a radical liberal. Paine is mostly known for his influence on British radicalism by advocating democracy through his pamphlets *Common Sense* (Paine, 1796) and *Rights of Man* (Paine, 1791). These two pamphlets had a profound and lasting influence (Morris, 1995, p. 65). Paine was involved in three revolutions, in the Britain, France and the USA. His beliefs were founded on the premises of unbounded faith in representative institutions, in the power of reason and a tendency to avoid complex theoretical problems by using empiricism

and an appeal to "Common sense". In "Common sense" Paine justified independence as a result of natural right, interest and common sense (Dorfman, 1938, p. 372). Paine believed in the ability of the people to overcome self-interest, to achieve anything that is rational and within human faculty reason, all this in conjunction to improving the lives of the poor (Fruchtman, 1996, p. 356). Paine's writings were not directed to the working class rather to farmers, tradesmen and professional men. He did not challenge the property rights of the rich or the doctrines of laissez-faire. While, based on Paine's view, in political democracy every person must have equal rights as a citizen, in the economic sphere they must naturally be an employer or employee and the state should not intervene with capital or wages. Consequently, "The *Rights of Man* and The *Wealth of Nations* should supplement and nourish each other" (Thompson, 1964, p. 96).

In our context, Paine's political and economic ideas were radical in the historical era in the sense that his proposal went beyond the defense of the right to subsistence only for the poor. Initially in Part II of The *Rights of Man* Paine proposed the abolition of the poor laws to be substituted by a non-contributory social insurance scheme in the form of old pensions and the endowment of motherhood. By 1796 Paine was also advocating children's allowances and work programs for the unemployed. For Paine, the defense for welfare was founded on natural rights, not on utilitarian or any other ethical grounds (Seaman, 1988, p. 128). However, in the *Agrarian Justice* this train of thought was carried a step further. Paine stated a new argument for assisting the poor, quite unlike anything he had previously formulated. He recommended a prototype of citizens' dividend for adult members of the society as a result of natural rights.

Among Thomas Paine's salient, though neglected, works is *Agrarian Justice*. Paine wrote the pamphlet in the winter of 1795 and 1796 after his release from imprisonment in France and the pamphlet had definitely French origins. The complete title is *Agrarian Justice. Opposed to Agrarian Law and to Agrarian Monopoly Being a Plan for Meliorating the Conditions of Man* published in 1797. While he was indecisive on whether to publish the pamphlet during the war of the time or wait for peace, he read a book entitled *An Apology for the Bible* written by a sermon preacher Watson, Bishop of Landaff. Watson's book was a reply to the Second Part of "The age of reason" written by Paine. In the Bishop's book there was a list of works that he had written and referred in the text "The wisdom and goodness of God, in having made both rich and poor" and an appendix, with the title "Reflection on the present state of England and France". Paine identified as an "error" the title and that motivated him to publish the "Agrarian justice" as soon as possible. Paine strongly disagreed with the Bishop that God created the rich and the poor; God created only men and women and gave the earth for their inheritance. Preaching, Paine affirmed, should try to make the general condition of people less miserable than just rationalizing the status quo. "Practical religion consists of doing good; and the only way of serving God is, that of endeavoring to make his creation happy. All preaching that has not this for its object is nonsense and hypocrisy" (Paine, 1797, p. 397).

The significance of Paine's defense of welfare in *Agrarian Justice* is that it overcomes the two earlier limitations in the "*Rights of Man*" the lack of theoretical basis for private property and the limited applicability of welfare policies (Seaman, 1988, p. 129). Paine (1797, p. 397) pointed out in the *Agrarian Justice* of the contradiction that existed in modern societies, that the most affluent and the most miserable people are to be found in so-called civilized societies. The development of civilized societies is

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associated with the co-development of poverty; poverty is created and maintained, strangely enough, only in civilized societies. Poverty does not exist in the natural state. "Civilization, therefore, or that which is so-called, has operated, two ways, to make one part of society more affluent, and the other part more wretched, than would have been the lot of either in a natural state" (Paine, 1797, p. 397). But the earth in its natural uncultivated state is the common property of all human kind. Natural rights, a very popular concept at the time, provided to all members of the society an equal claim to the fruits of nature during their lifetime. The natural rights doctrine was built on the postulate that no person is to be considered as naturally superior to another; there cannot be a reason for one person's claim to nature to be superior to another's. Because no person's claim to nature is superior to another's, no one will have a right to exclude another from nature. The rights of all to nature are accordingly equal. Even civilization should not violate this equal natural right to nature. That is interpreted by Paine that people should not be worse than they would had been born in the natural state. It is quite interesting to note that in the *Rights of Man* Part I, Paine acknowledges natural rights in the form of rights inhered in individuals (intellectual rights and those rights of acting of individuals of their happiness), no mention of the "natural state" and of natural claim to common property (Claeys, 1988, p. 23).

In the natural state every person is born with the property rights of the soil and with it the natural produce of vegetables and animals. The natural state can be visualized by the North American Indian tribes, Paine declared. Thus:

[...] there could be no such thing as landed property originally. Man did not make the earth, and though he had a natural right to *occupy it*, he had no right to *locate as his property in perpetuity any part of it*: neither did the Creator of the earth open a land-office, from whence the first title-deeds should issue (Paine, 1797, p. 399).

Thus, land is a free gift of the Creator to the human kind, as it is stated in the biblical account of Creation, by which command over the earth was given to the first man and woman which serves the foundation of Christianity. The establishment of personal property is the result of the development of so-called civilized society. It is as impossible for an individual to acquire personal property without the existence of society. "Separate an individual from society, and give him an island or a continent to possess, and he cannot acquire personal property" (Paine, 1797, p. 408).

Paine recognizes that the value of the improvement only, and not the land itself, is individual property. Since without the improvement due to cultivation, arts and sciences there would only be subsistence for one tenth of the population (Paine, 1797, p. 398). The inequality of wealth is a natural outcome of differences in industry, superiority of talents, quality of management, extreme thrift and fortunate opportunities. Commerce, Paine stated, is a civilizing force and freedom of trade is the principal source of wealth (Dorfman, 1938, pp. 373, 380). However, the system of landed property has taken the natural property of all those whom it dispossessed, without providing, as ought to have been done, a compensation for that loss (Paine, 1797, pp. 400-1). Thus, every proprietor of cultivated land owes to the society a ground-rent for the non-improved land which the person holds because it is common property. This ground rent would take the form of a tax of 10 percent on inheritances as the best alternative to the sharing of the land by the members of society. It is this ground-rent that would fund the payments made to every person, rich or poor, since everyone is an owner of non-improved land so there is no reason for distinctions.

Those who do not want to claim their entitlement it can remain in the common fund. Paine (1797, p. 400) proposed:

To create a Natural Fund, out of which there shall 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 natural inheritance by the introduction of the system of landed property. 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 arrive at that age.

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This plan would provide a better environment for the economy – Paine repeatedly argued that the rich should support his scheme as they would benefit and enjoy their riches without abject poverty (Buber Agassi, 1991, p. 456) – since it is a devise to prevent people becoming poor from the start of their productive life. Every person, when they arrive at the age of 21 years, is an inheritor of something to begin with and become productive citizens' rather than burdens on society. In addition, so often rich people fall into unexpected poverty, even at the age of 60, but in Paine's proposed scheme they would have an income provided and the right to draw from the arrears own to them. As a result of the scheme the wealthy classes would benefit substantially and that is why they should not resist its implementation. The scheme would increase land prices. There will be no violence against property as the poor would not question property rights since they would be rightly justified. Lastly, there would be no resentment by the poor to increased wealth by the rich, as increased wealth would result in increasing the national fund proportionally; thus the more wealthy people become at the same time the living standards of the poor also increase (Dorfman, 1938, p. 383). Paine defends the proposed plan: "It is not charity but a right-not bounty but justice, that I am pleading for".

Paine's vision in *Agrarian Justice* was ingrained in a society structured around land. Thus, he was promoting agrarian not social justice. As such, the more fortunate people in society must do their share to insure adequate living standards for the poor; public welfare is a right, not a gift and government must assist in reducing of poverty. Poverty was not the result of individual laziness but of circumstances beyond someone's control. It was not the fault the poor that they were poor. It is a natural market outcome, but unnatural from the society's perspective, and it is the society's responsibility to ameliorate the condition of the poor. Basically, Paine utilized three arguments in the *Agrarian Justice* to justify his scheme: God's grant of common property, the principle of progress and the general social duty of owners of property. Claeys (1988, p. 27) argued that the first argument, the divine intention, was insufficient for Paine as it did not allow further expansion and that is why he mainly extended his analysis on the remaining two arguments. Actually, Paine may have felt uncomfortable, based on his religious beliefs, about using the divine argument in the introduction. Claeys (1988, p. 27) carries on to conclude that Paine should have re-titled the pamphlet "Agrarian, commercial and manufacturing justice".

Paine's ideas, in contrast to radical writers of his time, did not provide a challenge to the existence of market-based economic systems and to the reasons behind the market inequalities (Little, 1999, p. 63; Keane, 1995, p. 427). He sought to invoke the authority of the biblical account without reaching radical propositions (Claeys, 1988, p. 25). Paine argued that the uneven distribution of "natural" property can be repaired by establishing the national fund and not as a result of returning the land to its natural owners by expropriation. The later is impossible due to the fact that social progress

and civilization was irreversible: "It is always possible to go from the natural state to the civilized state, but it is never possible to go from the civilized state to the natural state" (Paine, 1797, pp. 397-8). From a moral point of view people are self-sufficient and could exist without society and progress, but they cannot be economically self-sufficient; it is the economic need that encouraged people to establish society and progress (Cristian, 1973, p. 369). Paine was not a primitivist.

In this context, Paine is heavily influenced by Rousseau (Fruchtman, 1996, p. 360). Rousseau argued in his essays that civilization had essentially enslaved human beings, but civilization is irreversible and as such people should deal with it and not attempt to reverse the process. Civilization created private property which resulted in inequality but for both Rousseau and Paine society cannot return to the natural state of no property. Notwithstanding the problem is remediable, as Paine is prepared to compensate those who suffer from the unequal distribution of property. In this way, poverty would be eliminated without changing the system of private property. Paine was merely concerned with the negative impact of the market on social cohesion; he is not concerned equalizing income rather with eradicating the worst excesses of income inequality. Thus, reforms to relieve the poor should be introduced without disturbing trade, commerce or unrestricted accumulation of wealth. The elimination of institutions (church, aristocracy and royalty) and restrictions (on commerce, property and personal rights) would permit expansion of productive enterprise. Thus, Paine simultaneously encourages welfare and the market, the equal rights of the poor and the capitalists against the burden of a non-productive aristocracy.

Paine's comments on the need for removing hostility to private property allude to not only the consensual basis of private property, but also to what is called "the doctrine of ransom" (Seaman, 1988, p. 135). This doctrine asserts that those who do not own property have a claim on property legitimately by their virtue of their equal right to nature. Effectively the landless, in our case, hold private property at ransom, as they may extract a price for allowing owners effective rights to such property. Failure to pay this ransom will undermine the security of property. Paine urges in "*Rights of Man*" (p. 270) that the principal reason for supporting his welfare program is that "poor as well as the rich, will then be interested in the support of government, and the cause and apprehension of riots and tumults will cease". Thus, failure to alleviate hostility to property by the payment of ransom, in the form of welfare and/or a form of citizens' dividend, not only undermines the security of private property, but also threatens to disrupt compliance to civil authority.

Paine's voice attempted to counteract Gracchus Babeuf slogans that "All property is theft and expropriate the expropriators" as "Though I care as little about riches as any man, I am a friend to riches because they are capable of good. I care not how affluent some may be, provided that none be miserable in consequence" (Paine, 1797, p. 405). Paine did not want to displace anybody; time had given landowners the right to remain on their property by reimbursing the society for that right (Fruchtman, 1996, p. 362). Thus, Paine did not erect opposition to market capitalism but rather he intended to humanize the system so as to prevent absolute degradation. In The "*Rights of Man*" (pp. 456-7) Paine declared: "in all my publications, wherever the matter would admit, I have been an advocate of commerce". In conclusion, "Paine's advocacy of a compensatory guaranteed income should be located more appropriately within the tradition of liberal welfarism because it fails to deliver a sustained challenge to the

organization of the economy and, thus, the reason why the need for compensation is deemed to be necessary" (Little, 1999, p. 72). It is quite interesting to note that Paine did not own any property in France but he had some in the USA. He was willing to start the scheme in France with a contribution of 100£ as a gift, but at the end he used most of it to invest in the Bank of North America (Fruchtman, 1996, p. 362)

Agrarian Justice did not have any substantial influence on the political debates of the time. Plummer (1927, p. 212) argues that Paine's scheme was more advanced for its time as he suggested a non-contributory social insurance, where the state provided the funds from taxation. Paine's scheme was devised before the advent of the industrial revolution, long before workers organized and demanded government intervention and before the real threat of the socialist revolution (Buber Aggasi, 1991, p. 456). Paine argued for a version of universalism making him a forerunner. However, generally his work as an economist suffered neglect due to his political views, as both Smith and Malthus openly denounced his political beliefs and as such his economic proposals were dismissed (West, 1967, p. 380). Paine's proposal in the political climate of the 1820s and 1830s, is not mentioned at all by Read, Scrope or Sandler (Gilbert, 1988, p. 157). The proposals in the *Agrarian Justice* had gone largely uncritical.

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3. Thomas Spence (1750-1814)

Thomas Spence's *The Rights of Infants; or, the Imprescriptable RIGHT of MOTHERS to such share of the Elements as is sufficient to enable them to suckle and bring up their Young* is the title of a pamphlet in response to Paine's *Agrarian Justice*. In the Preface Spence states that he was very happy that Paine, even though late, acknowledged the indisputable truth of vast importance to humankind that "God hath given the earth to the children of men, given it to mankind in common" (Spence, 1797, p. 46). This was a very positive statement since Paine's celebrity status would encourage readers to investigate this great fundamental truth. Spence's appreciation of Paine had always an indication of envy, as the popularity of the author of the *Agrarian Justice* ensured an audience far beyond of Spence's expectations. However, the plan that Paine advocates, Spence argued, did not appear to be just or satisfactory. The "poor, beggarly stipends" that Paine proposes are "so contemptible and insulting" (Spence, 1797, p. 46). Spence is convinced that landed interest is incompatible with the happiness and independence of the people because landlords raise the rents to the point where they get the "whole fat" of the produce of hard working people. For Spence, Paine's proposal was merely the thief returning to his victims a part of what had been stolen and was condemn for Paine's failure to envisage the transformation of private property into common property (Keane, 1995, p. 427; Thompson, 1998, p. 137). Spence found it strange that Paine having the status as democrat would suggest agrarian reforms which were undemocratic and unlikely to root out the injustice[1]. Spence viewed his proposal without compensation as being more plausible and practical (Chase, 1988, p. 67). Spence has been associated with agrarian utopianism and land reform. He was a member of the radical-democratic organization London Corresponding Society and of the revolutionary association Lambeth Loyal Association (Parssinen, 1973, p. 135).

The pamphlet was written in the form of a dialogue between a woman and an aristocrat. The main character takes the form of a woman as men are not to be depended on (Spence, 1797, p. 51) and it is a mouthpiece for his advocacy of the rights of women. The woman states "that mothers have a right, at the peril of all opposers, to

provide from the elements the proper nourishments of their young" (Spence, 1797, p. 48). This right is not only known to women but they also have the courage and spirit to defend it "to the downfall of you [aristocracy] and all tyrants ... and throw you [aristocracy] and all your panyers in the dirt" (Spence, 1797, p. 49). It is clear that the exercise of women's right to feed, nurse, clean, cloth and lodge their children requires the abolition of the aristocracy, abolition of "the bloody landed interest" the "band of robbers" the "beasts of prey". Control of the land meant control of the lives of the people who depended for their livelihood on the cultivation of land; the landlords are tyrants (Parssinen, 1973, p. 135). It is in the interest of the aristocracy to submit peacefully and give up their land for the sake of achieving a fair system not for revenge or retaliation. Otherwise, if the aristocracy resist the change "by foolish and wicked opposition" then their total wealth would be confiscated, they will be cut off and "then let your blood be upon your own heads, for we shall be guiltless" (Spence, 1797, p. 52). So Spence advocates the violent overthrow of the aristocracy, in case the aristocracy did not voluntarily give up their wealth. Unlike most land reformers – including Paine who believed that the aristocracy would adopt his proposal voluntary as a result of self-interest – Spence's plan appropriates land, industrial establishments and equipment (Ashraf, 1983, p. 120). The concept of natural right to land was transferred to industrial establishments and equipment in the early 1830s and the argument was developed that workers have been twice robbed: the land by the lord and of machines-equipment by the capitalists. Thus, for Spence the power and the "drinking of the blood of infants" by the aristocracy were at an end. This would-take place by dispossessing instantaneously, "as by an electric shock" all revenue from lands, and ownership given to parishes to administer and make land available for use by all inhabitants. Gradualism was rejected by Spence.

Spence, through the voice of the woman, does not expect the fruits of labor for nothing. There would be equal right to land but unequal reward to labor. What hard working people are "sick" about is laboring for an insatiable aristocracy. The abolition of the aristocracy would not hurt production rather in actual fact it would be for the better, as rents would not be accrued to the landlords but rather to the people. In this context, the right of work would be guaranteed as well through the parish system as property would be administered in such a way to provide work to the unemployed through public works or to provide tools and machinery for self-employment or to provide land for cultivation. The parish system proposed was an alternative to nationalization of land, Spence as other radicals distrusted remote government, based on self-government and democratic principles. The numerous benefit clubs and societies, a thriving experience of the common people as voluntary associations administered on democratic principles without friction, provided a prototype for self-government. The women will appoint in every parish a committee of their own sex – under the assumption that men will not oppose it, as it is in their own self interest as well – to receive the rents from houses and land and also lease vacant properties to the highest bidders for a seven year lease. In addition, large-scale industry would have been common property managed by the parish or by "corporations" of work collectives (Ashraf, 1983, p. 120; Parssinen, 1973, p. 136). Spence used the example of joint stockholding from shipping, mining and commerce to demonstrate the feasibility of communal land ownership and industrial equality (Chase, 1988, p. 29). The action of one parish would soon be mimicked by other parishes, thus in a short time the land, houses and industrial structures would be own as

common property by the parish system of corporations. The income derived would pay state taxes (so there would be no need for taxes and tax-collectors) and finance public goods (such as to clean and light the streets, pay public officers and build and repair houses). The remaining income which should be around the two-thirds of the total amount of rents collected:

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[...] shall be divided it fairly and equally among all the living souls in the parish, whether male or female; married or single; legitimate or illegitimate; from a day old to the extremest age; making no distinction between families of rich farmers and merchants, who pay much rents for their extensive farms or premises, and the families of poor laborers and mechanics who pay but little for their small apartments, cottages and gardens, but giving to the head of every family a full and equal share for every name under his roof[2] (Spence, 1797, p. 51).

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Hence, Spence's proposal is truly universal independent of age in contrast to Paine's age restrictions.

Chase (1988, p. 30) states that based on Spence's own admission the event that influence him to devise the scheme of equal distribution of the rents to the people was the dispute over the enclosure of the Newcastle Town Moor. The Mayor and Corporation of Newcastle attempted to enclose the Town Moor in 1771, ignoring the grazing and wooding rights of the freemen. The resulting dispute was finally resolved as the freemen gave direct property rights in the Moor in return for a fixed income from the rents of the enclose area. But the property rights which the Newcastle freemen enjoyed were private and restrictive. The event provided a mechanism for achieving agrarian equality but it did not offer a philosophical and historical rationalization for the universal right to property of land. Spence developed his thoughts from the fashionable at the time ideas of the popular enlightenment and biblical fundamentalism (Chase, 1988, p. 31).

The justification for this equal distribution of net rents is based on the imprescriptibly right of every member of a civilized society to the natural fruits of the earth, being undoubtedly common fruits. This is in contrast to the landlords' implicit claim, "as if they had manufactured land" (Ashraf, 1983, p. 122). However, by giving up the right to the common estate by allowing it to be rented for the sake of cultivation, members of the civilized society are deprived from the natural fruits of earth. As such, an equivalent for the natural materials of the common estate is required as compensation to everyone. Spence wished for to make everybody "landlords of property that they did not occupy, the owners of land-capital and the recipient of rent interest" (Ashraf, 1983, p. 124). There was no longing for the re-establishment of the old peasantry: not as "back to the land" but as "forward to the land as it would be" (Chase, 1988, p. 188). In the society proposed by Spence people will not need to work all the hours, there will be a five-day work week, holidays and feasts, people will be able to enjoy their fruit of their own-labor, be hospitable, dress decently and bring up their children in a proper manner. But the radical agrarianism of Spence is not a return to nature; rather it was the establishment of a society based on economic and social democracy: "Thus, each parish is a little polished Athens" (Spence, 1807).

At the end of the dialogue between the woman and the aristocrat and before the conclusion Spence inserts an appendix with the title "A contrast between Paine's *Agrarian Justice* and Spence's End of oppression, Both being built on the same indisputable Principle viz. That the land is the common Property of Mankind". Spence, in the appendix, contrasts the two proposals by creating a table of two columns and 15 rows, one column for "Under the system of agrarian justice" and the other "Under the

system of end of oppression". The 15 rows compare one by one each element of the contrasting proposals. In the conclusion, Spence directly attacks Paine for providing only a tenth of the value of land to the people due to the fact of improvements in the land from the natural state as these improvements were expended by landlords. For Spence, the definition of land is not pertained only to natural resources; it also includes all human-made improvements and permanent structures. Spence reminds us that these improvements in land and the erection of permanent structures were the result of the hands (providing labor) and the consumption (providing revenue) of the working classes. "Therefore, let us not in weak commiseration be biased by the pretended philanthropy of the great, to the resignation of our dearest rights" (Spence, 1797, p. 53). Spence's proposal is a process of "recovering our rights". The purpose was to make the sources of wealth and thus primary subsistence common property (Ashraf, 1983, p. 120).

4. Conclusion

Paine wanted to reform the political system, Spence wanted to substitute the whole system with an entirely different one. For Paine, annual parliaments, proportional representation, universal suffrage and the secret ballot were adequate. The duty of the government is to maintain property and freedom as the need of government, Paine explains, is the result of the right to every person to pursue their occupation and exploit their property. While human beings are naturally social, the reason for establishing a society are economic, thus the government was a subordinate and partial instrumentality and intervene only when rights are threatened (Christian, 1973, pp. 369-70). Consequently, when workers attempt to raise their wages that is unlawful, as is fixing maximum price when famine prevails, thus causing great suffering (Dorfman, 1938, p. 380). But for Spence a republican government espoused by Paine, is not a substitute to any real social equality, as effective political rights for the lower classes are not sustainable since the power of landlords would control the parliament and government. The ownership of land gives rise to economic and political power. It is "the distribution of landed property, rather than political systems, dictates the real character of a nation and its liberties" (Chase, 1988, p. 30). For Paine and the republicans hereditary government was based on conquest, but for Spence conquest was interpreted as the expropriation of the people from their natural rights. "Natural rights, since they arise at birth and are inalienable, cannot be bartered for civil rights nor mortgaged for future generations" (Ashraf, 1983, p. 126). For Spence it is natural then to also dismiss the "social contract" as there cannot be any legitimate contract between those who are unequal. But society cannot change by preaching and/or peaceful tactics (as the example of the French Revolution demonstrates) and there is no "enlightened self-interest" only "natural and universal interest" as collective interest, solidarity and mutuality for which people do not need to wait or perfected by education. People, especially the working class, on the whole are good and they do not need any "transformation" to a state established by natural rights.

Using the citizens' dividend criterion we can access the policies recommendations of Paine and Spence. Citizens' dividend is similar to the European proposal for a basic income guarantee; it is different in that citizens' dividend is paid from rent. Government could collect rent by:

- levying a tax on the value of sites and resources; or
- charging a fee to use sites and resources; or
- requiring dues from owners of sites and resources.

Then, government could share the collected rent among its citizens' by:

- providing desired services; or
- paying vouchers; or
- paying dividends that citizens' would decide how to spend.

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To collect rent, if fees or dues are used, then it becomes possible to abolish taxes. To share rent, if dividends are used, then it becomes possible to abolish subsidies and vouchers. Replacing taxes with land dues and subsidies with rent dividends is the policy proposed for the provision of citizens' dividend.

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For Paine every proprietor of cultivated land owes to the society a ground-rent for the non-improved land which the person holds because it is common property. This ground rent would take the form of a tax of 10 percent on inheritances as the best alternative to the sharing of the land by the members of society. It is this ground-rent that would fund the payments made to people. The rent would be deposited in the natural fund, which would provide to every person, when arrived at the age of 21 years, the amount of £ 15 sterling and the sum of ten pounds per annum, during life, to every person of the age of 50 years and over. Thus, for people between the ages of 22 and 49 no income would be provided from the natural fund. Per annum payments independently of income takes place at the age of 50 and thereafter, as such the proposal is not universal.

For Spence, ownership of land was given to parishes to administer and make land available for use by all inhabitants. Parishes would receive the rents from houses and land and also lease vacant properties to the highest bidders for a seven year lease. The income derived would pay state taxes, so there would be no need for taxes, and finance public goods. The remaining income would be divided equally among all the members of the parish.

In sum, Paine's program involved a tax on inheritance (inconsistent with citizens' dividend), maintenance of private property (consistent), payments only to people the age of 21 and 50 and over (inconsistent). But a tax on land inheritance like a tax on income or sales or property captures wealth downstream; in contrast, as recommended by citizens' dividend policy land dues capture rent upstream preventing concentration of wealth. Spence's program involved a change of property (inconsistent with Citizens Dividend), the collection of rents from houses and land (consistent), the elimination of taxes (consistent), the finance from rents of public goods (consistent) and the remaining income distributed to all citizens' (consistent). Hence, in assessing the two proposals using the citizens' dividend criterion, each proposal has consistent and inconsistent elements. It can be argued that the two proposals are primitive versions of citizens' dividend as espoused today. Nonetheless, they are crucial stages in the evolutionary process of the development of knowledge to derive the current form of citizens' dividend.

Notes

1. Spence received a note by a supporter of Paine on May 17, 1796: "Mr Spence, I bought at your shop a few days back a book entitled [sic] *The End of Oppression* which I conceive to be the basest book that was ever printed, and as a fellow citizen, I advice you to stop the sale of it, or otherwise, I hope your book will be publicly burnt, and yourself hanged, for you richly

deserve it. A DEMOCRAT". This demonstrates the animosity that existed between Spence and Paine supporters (Parssinen, 1973, p. 139).

2. Interesting enough, the income would be given to the head of every family who Spence took for granted is a male – "his roof".

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