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## The Pope and Henry George: Pope Leo XIII compared with Henry George, on the ownership of land and other natural resources. A possible rapprochement?

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## The Pope and Henry George: Pope Leo XIII compared with Henry George, on the ownership of land and other natural resources. A possible rapprochement?

### Abstract

The encyclical, *Rerum Novarum*, issued by Pope Leo XIII in 1891 was interpreted by Henry George as a criticism of the views he had expressed in *Progress and Poverty*, 1879, and other writings. Later in 1891 George published *The Condition of Labor*, a critical response to *Rerum Novarum*. It has been generally thought that the two sets of ideas are irreconcilable, and that a united policy for an equitable and efficient sharing of Earth's natural resources is impossible. However, a re-assessment of the ideas of Leo and George suggests that their differences were not entirely opposed, and that some basic aspects are capable of *rapprochement*.

### Cover Page Footnote

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## The Pope and Henry George: Pope Leo XIII compared with Henry George, on the ownership of land and other natural resources. A possible *rapprochement*?

John Pullen

### I. Introduction

In May 1891, Pope Leo XIII issued the encyclical letter, *Rerum Novarum*,<sup>1</sup> also known as *The Condition of Labour*, in which he set down Catholic social teaching on contemporary social and political problems, such as the relationship between labour and capital, the level of wages and profits, unemployment, strikes and lockouts, the role of the state, cooperative societies, social justice, and of particular concern in this article, the ethical justification of private property, in response to mounting movements away from capitalism toward socialism and communism. Later in 1891, the American economist and social reformer, Henry George, replied to Leo's encyclical in a book entitled *The Condition of Labour. An Open Letter to Pope Leo XIII*.<sup>2</sup>

George's *Progress and Poverty*<sup>3</sup> was being widely circulated at the time. Famous for his oratory as well as his radical ideas, George was attracting immense audiences to his public lectures in America, Britain and Australia. He was under the impression that the encyclical was intended, at least in part, as a reply to his own ideas, although that interpretation has been disputed. The purpose of this article is to discuss what is probably the major theme, and the most controversial theme, of George's reply, namely, his comments on and criticisms of Leo's views on the ethical justification for private property in general, and in particular for private ownership of land and other natural resources.

The article begins (Section II) with a brief biographical note on George's personal attitude toward Leo and the Catholic Church. It includes passages from previously unpublished letters of George referring to his religious convictions. Section III considers the disputed question of whether Leo's intention in the encyclical was to refute George. The article continues with an exposition of Leo's arguments (Section IV) for, and George's arguments (Section V) against, private ownership of land. Sections VI-X deal with particular issues in their controversy. Section XI (Conclusion) discusses the feasibility of a reconciliation of the views of Leo and George on the ownership of land and other natural resources, and the possibility of some degree of *rapprochement*.

The issues that concerned Leo XIII and Henry George in 1891 are of more than antiquarian interest. The ownership and distribution of land and other natural resources continue to be discussed in later encyclicals, such as Pope Pius XI, *Quadragesimo Anno*, 1931;<sup>4</sup> Pope John Paul II, *Laborem Exercens*, 1981,<sup>5</sup> and *Centesimus Annus*, 1991;<sup>6</sup> Pope Benedict XVI, *Caritas in Veritate*, 2009;<sup>7</sup> and Pope Francis, *Laudato Si*, 2015,<sup>8</sup> and remain matters of universal human concern at social and economic, as well as theological levels.

<sup>1</sup> Pope Leo XIII, "The Condition of Labour (*Rerum Novarum*). Encyclical Letter of Pope Leo XIII", in H. George, *The Land Question* (New York: Robert Schalkenbach Foundation, 1953).

<sup>2</sup> In H. George, *The Land Question* (New York: Robert Schalkenbach Foundation, 1953).

<sup>3</sup> New York: Robert Schalkenbach Foundation, [1879] 1956.

<sup>4</sup> Encyclical letter. Libreria Editrice Vaticana, 1931.

<sup>5</sup> Encyclical letter. Libreria Editrice Vaticana, 1981.

<sup>6</sup> Encyclical letter. Libreria Editrice Vaticana, 1991.

<sup>7</sup> Encyclical letter. Libreria Editrice Vaticana, 2009.

<sup>8</sup> Encyclical letter. Libreria Editrice Vaticana, 2015.

## II. George's personal attitude toward Leo and the Catholic Church.

Although George forcibly opposed Leo's views on the ownership of land, he appears to have had no personal animosity toward the Pope or toward the Catholic Church: 'for your office I have profound respect, for yourself personally the highest esteem',<sup>9</sup> and for 'your personal character' and 'your exalted office'.<sup>10</sup> In criticising Leo's views, he did not wish 'to be understood as in the slightest degree questioning either your sincerity or intelligence in adopting them'.<sup>11</sup> He said he had 'written frankly', and 'I trust I have done so without offense'.<sup>12</sup>

Despite the warmth of these expressions of appreciation of Leo as a person and of the position he held, George did not mince words in expressing disagreement. For example, he said Leo had 'unfortunately overlooked'<sup>13</sup> certain considerations, and accused Leo of 'one fatal assumption, namely that he failed to see the real cause of the evils'.<sup>14</sup> Even more forcibly, he said to Leo: you are 'blinded by one false assumption, you do not see even fundamentals',<sup>15</sup> and he described Leo's views on this matter as 'erroneous and dangerous'.<sup>16</sup>

George's writings, speeches and letters are replete with references to God and spiritual matters, and show that in his personal life he was a very religious person. He was brought up in the Evangelical denomination of Christianity, and later converted to Methodism. His wife was a Catholic, following in the religion of her Irish mother, and his wife's sister became a Catholic nun. He had a number of friends and supporters among the Catholic clergy - in particular, Father Thomas Dawson in Ireland. In a long letter in February 1883 to Father Dawson, George set out his position: 'Don't be disturbed because I am not a Catholic. In some things your Church is very attractive to me; in others it is repellent... Believe this, my dear Father, that if it be God's will that I should be a Catholic He will call me to it.'<sup>17</sup> In a letter on 23 October 1882 to Father Dawson, George wrote: 'I, too, am extremely anxious to get the support of the Catholic Church'<sup>18</sup>, but he clearly had no intention of relinquishing his opposition to private ownership of land. In a letter to Father Dawson on 9 December 1888, he said: 'the condemnation of slavery by the Pope is very suggestive. Sometime - after the fight is over - we shall have a Pope condemning private property in land. We shall not be here; but I have faith we shall be somewhere.'<sup>19</sup>

## III. Intention of the encyclical.

There has been some discussion in the secondary literature<sup>20</sup> about whether the intention of Leo, or one of his intentions, in issuing the encyclical was specifically to refute George's

<sup>9</sup> George, "The Condition of Labour", 101.

<sup>10</sup> Ibid., 105.

<sup>11</sup> Ibid., 101.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid., 68-70.

<sup>15</sup> Ibid., 81.

<sup>16</sup> Ibid., 101.

<sup>17</sup> Henry George, *Henry George to Father Thomas Dawson, February 1883*. Letter. Manuscripts and Archives Division, The New York Public Library, Astor, Lenox, and Tilden Foundations. I am grateful for permission granted by the New York Public Library to quote from this and other letters mentioned below.

<sup>18</sup> Henry George, *Henry George to Father Thomas Dawson, 23 October 1882*. Letter. Manuscripts and Archives Division, The New York Public Library, Astor, Lenox, and Tilden Foundations.

<sup>19</sup> Henry George, *Henry George to Father Thomas Dawson, 9 December 1888*. Letter. Manuscripts and Archives Division, The New York Public Library, Astor, Lenox, and Tilden Foundations.

<sup>20</sup> For example: 'In George's open letter to Leo on *Rerum Novarum* he seemed intuitively to understand that the encyclical was a veiled criticism of his philosophy and of what came to be known as the "Single Tax"' (B.

view as presented in his *Progress and Poverty* and his other writings on this topic. George was clearly under the impression that the encyclical was motivated by a desire to refute his views. But a large part of the encyclical was not relevant to George's writings, and was not referred to by George in his reply. There is no direct reference to George in the encyclical, but an indirect reference can be seen in the following passage, described by the encyclical as being among 'certain obsolete opinions': 'We are told that it is right for private persons to have the use of the soil and the fruits of their land, but that it is unjust for anyone to possess as owner either the land on which he has built or the estate which he has cultivated'.<sup>21</sup>

Whether or not Leo's *Condition of Labour* was intended as a reply to George's *Progress and Poverty*, there is no doubt that George's *Condition of Labour* was intended as a reply to Leo's *Condition of Labour*. However, the purpose of this article is not to enter into the discussion of whether the encyclical was intended as a response to George. Its purpose is merely to analyse the arguments of Leo and George irrespective of whether the former were directed at the latter.

#### IV. Leo's arguments for private ownership of land.

Leo's encyclical presents a vigorous justification of private ownership: 'For every man has by nature the right to possess property as his own'.<sup>22</sup> The right of private ownership was not restricted by Leo to human products, but extended to land<sup>23</sup> and other natural resources: 'Hence man not only can possess the fruits of the earth, but also the earth itself'.<sup>24</sup> Leo argued that the right to Earth is a universal right, not a right limited to only a portion of the human race: 'For God has granted the earth to mankind in general' for the use and enjoyment of the universal human race'.<sup>25</sup>

But Leo also argued that this general or universal right of everyone to Earth is consistent with the right of individuals to particular portions of Earth as their private property: 'to say that God has given the earth to the use and enjoyment of the universal human race is not to deny that there can be private property';<sup>26</sup> the right of property belongs 'to individual persons',<sup>27</sup> and although there is a general right for everyone to use Earth,

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Hennigan, "Just Reward: the Nature of Work and its Remuneration in the Economics and Ethics of Henry George", *American Journal of Economics and Sociology* 71, no. 9 (2012): 866). See also C.J. Nuesse, "Henry George and *Rerum Novarum*", *American Journal of Economics and Sociology* 44, no. 2 (1985): 241-254. The policy of a Single Tax, based on land values, was a prominent feature of George's proposal, but was not addressed explicitly in Leo's encyclical, either to agree or disagree. In parts of George's writings – for example, in the reported speeches of his extensive Australian lecture tour in 1890 (see J. Pullen, *Nature's Gifts. The Australian Lectures of Henry George on the Ownership of Land & Other Natural Resources*, Leichhardt, NSW: Desert Pea Press, 2014) – he appears to have deviated from strict or absolute reliance on the singleness of land-value tax, but if a Single Tax is regarded as an essential element in Georgism, it will remain as an irreconcilable impediment to *rapprochement*.

<sup>21</sup> "The Condition of Labour", para. 10.

<sup>22</sup> Ibid., para. 6; see also, paras. 9, 11, 24.

<sup>23</sup> In this article, the term 'land' is used synonymously with 'natural resources' or 'nature's gifts', and means all materials not made by humans. The term 'land value' is used to mean the value of land in its natural, or unimproved, or pre-improved state, calculated according to its current market value. The term 'exogenous value' is used as an alternative to 'land value' in order to stress that 'land value' refers to values arising from causes extraneous to, or independently of, the titleholder of the land, and excludes values arising from the efforts or investments of the titleholder. These exogenous causes would include growth of population, increased wealth of the population, infrastructure improvements, environmental changes, town planning regulations, public works and other government influences, and actions by persons other than the titleholder.

<sup>24</sup> "The Condition of Labour", para. 6.

<sup>25</sup> Ibid., para. 8.

<sup>26</sup> Ibid., para. 8.

<sup>27</sup> Ibid., para. 16.

particular portions can be legitimately converted into private ownership by means of individual industry:

Now, when man thus spends the industry of his mind and the strength of his body in procuring the gifts of nature, by that act he makes his own that portion of nature's field which he cultivates - that portion on which he leaves, as it were, the impress of his own personality; and it cannot but be just that he should possess that portion as his own, and should have a right to keep it without molestation.<sup>28</sup> ... For the soil which is tilled and cultivated with toil and skill utterly changes its condition; it was wild before, it is now fruitful; it was barren, and now it brings forth in abundance.<sup>29</sup>

Leo here seems to have applied a labour-employed theory of ownership. The question of whether the labour-employed theory of ownership as used by Leo was the same as the labour-employed theory of ownership presented by John Locke has been discussed by Anthony Waterman. Leo's version of the labour-employed theory of ownership has been described as 'a pseudo-Lockean version', as a 'somewhat equivocal' version of Locke's theory,<sup>30</sup> and as a 'bowdlerized version of Locke'.<sup>31</sup> Waterman adds: 'if the property theory of *Rerum Novarum* reveals the possible influence of Locke, it also displays considerable divergence both from Locke's intentions and from his conclusion'.<sup>32</sup>

Leo's argument that, by working on a portion of nature's field, an individual makes that portion his own, leaves unanswered the question of why one particular individual should have a right to begin work on a particular field, and to prevent another individual's access to that field. Also, the encyclical does not explain how a right of private ownership of a product can exist without a prior right of ownership of the portion of nature's gifts required to produce the product.

As well as declaring that the right of private ownership is a natural right, Leo described it as an inviolable right: 'Our first and most fundamental principle, therefore, when we undertake to alleviate the condition of the masses, must be the inviolability of private property'.<sup>33</sup> However, Leo also said that, in conjunction with this inviolable right, landowners have social obligations<sup>34</sup> toward non-landowners. The landowner has a duty to distribute to others what is beyond 'that which is required for his own necessities and those of his household', and beyond 'what is reasonably required to keep up becomingly his condition in life'; 'it is a duty to give to the indigent out of that which is over'; 'it is a duty, not of justice (except in extreme cases) but of Christian charity'.<sup>35</sup>

Thus, it would seem that Leo intended the natural and inviolable right of private ownership to be interpreted, not as an absolute and unconditional right, but rather as a right that is limited and conditioned by the duty to distribute one's excess wealth to the indigent.

<sup>28</sup> Ibid., para. 9. This legitimisation of private ownership of land by means of industry is one of the most controversial aspects of the encyclical.

<sup>29</sup> Ibid., para. 10.

<sup>30</sup> A. M. C. Waterman, "Property Rights in John Locke and in Christian Social Teaching", *Review of Social Economy* 40, no. 2 (1982): 98,105.

<sup>31</sup> A. M. C. Waterman, "The Intellectual Context of *Rerum Novarum*", *Review of Social Economy* 49, no. 4 (1991): 478.

<sup>32</sup> Waterman, "Property Rights in John Locke and in Christian Social Teaching", 105.

<sup>33</sup> "The Condition of Labour", para. 18.

<sup>34</sup> Leo's emphasis on the social obligations of landowners towards non-landowners has been outlined by Arnold McKee ("The 'Natural' Right to Private Property", *Review of Social Economy* 49, no. 4 (1991): 492).

<sup>35</sup> "The Condition of Labour", para. 24.

## V. George's arguments against private property.

George described private property in land as 'immoral',<sup>36</sup> and accused Leo of 'confusion of thought' in justifying private property in land as well as private property in things produced by labour.<sup>37</sup> He described Leo's defence of private property in land as a defence of 'one form of slavery'.<sup>38</sup> He believed that, in supporting private ownership of land, Leo was in fact condoning and perpetuating social injustice. He claimed that private ownership of land is 'a gross injustice on the part of the state'; 'a violation of natural right'; 'an injustice that amounts to robbery and murder';<sup>39</sup> and 'a great social wrong'.<sup>40</sup> He said that the state has a moral duty to abolish private ownership of land and other natural resources.<sup>41</sup>

George believed that a right of private ownership, whether of natural resources or of things produced by labour, is necessarily a right that is unqualified, unrestricted, and absolute, and should be free of taxation: the state has no right to impose a tax on anything that is privately owned. He therefore said that if land is privately owned, land taxation could not be justified; but he argued that land taxation is justified because land is a natural resource and should belong to everyone in common, and therefore the state has a right and a duty to levy taxes on the value of land. The revenue derived from the land taxation should be distributed throughout society, either equally or as equally as administratively possible.

George appears to have thought that the essence of private ownership of land consists of private ownership of the exogenous value of the land, and that the removal by taxation of private ownership of the exogenous value of land – and its absorption by the state – constitutes a change of the essence of private ownership. He thought that a titleholder who does not receive the exogenous value of the land cannot be regarded as the owner of the land.

However, George's interpretation of the nature of private ownership of land is questionable. He does not appear to have considered that the taxation of exogenous land-value is merely an alteration of an accidental feature of private ownership, not an alteration of the essence of private ownership; and that state intervention to deprive private ownership of land of exogenous increments of value does not alter the private-ownership nature of land; it does not nullify private ownership.

George could be criticised for not having given sufficient recognition to the limitations placed by Leo on private ownership of land, and for not realising that Leo's concept of private ownership of land should be regarded as conditional ownership, rather than absolute ownership. It has been argued by J. Brian Benestad that 'Leo XIII's position on the ownership of property has more nuances than George's letter reveals... Christians have an obligation to use their property and talents for the good of others';<sup>42</sup> 'George does not advert to the limits Leo places on the use of property', and 'doesn't point out the similarity between

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<sup>36</sup> "The Condition of Labour", 23.

<sup>37</sup> Ibid., 21-22.

<sup>38</sup> Ibid., 28.

<sup>39</sup> Ibid., 53.

<sup>40</sup> Ibid., 87. George's statement that private ownership of land is 'a gross injustice on the part of the state' would support the distinction elaborated (for example, by James Dawsey) between injustices committed by individuals, and injustices perpetrated by society or by the state through its institution of, or its failure to rescind, a structure of laws that unfairly affect the lives of individuals; or in theological terms, the distinction between individual sin and structural sin. (Dawsey, "Human Nature from a Georgist Perspective", *American Journal of Economics and Sociology* 71, no. 4 (2012): 803). In George's view, laws that permit some individuals to have a more than equal share of the exogenous value of natural resources would be a form of structural injustice.

<sup>41</sup> Ibid., 53.

<sup>42</sup> J. B. Benestad, "Henry George and the Catholic View of Morality and the Common Good, I: George's Overall Critique of Pope Leo XIII's Classic Encyclical, 'Rerum Novarum'", *American Journal of Economics and Sociology* 49, no. 3 (1985): 371-372.

his position and Leo's'.<sup>43</sup> By drawing attention to Leo's emphasis on the social duties of landlords, and by showing that Leo's concept of ownership was one of conditional, not of absolute ownership as George alleged, Benestad has highlighted a serious deficiency in George's position, and has made a valuable contribution to the Leo-George debate and to the possibility of *rapprochement*, but it does not close the gap completely. Leo's insistence on limits to the use of property, and on the social obligations of property owners, remains far short of George's denial of the right of individual ownership of land, but it reduces the degree of difference between them.

## VI. Private ownership and private possession of land.

With regard to natural resources, there appears, at least at first sight, to be radical opposition, with George saying that private ownership of land value is morally illegitimate, and that any right to land can only be a right of possession, not a right of ownership; and Leo maintaining not only the legitimacy of private ownership of land, but also its essentiality for human progress. Leo did not make a formal distinction between private possession and private ownership. He used 'ownership' and 'possession' interchangeably and synonymously - as, for example, in the sentence 'Every man has by nature the right to *possess* property as his *own*'.<sup>44</sup>

George's insistence that the right to land should be only a possessory right, not an ownership right, is disputable. The main difference, in George's perception, between private possession of land and private ownership of land seems to centre on the right to the exogenous value of land. He held that private ownership of land would give the owner a right to the exogenous value of land, but that the exogenous value of land should belong to society. But if the right of private ownership of land were to be defined in a way which includes the liability of the titleholders to pay taxation on the value of the land, and acknowledges the right of all members of the society to an equal share in the exogenous increments of the value of the land, and also acknowledges that increments in the value of land accruing to the titleholders are to be restricted to increments due to the efforts and investments of the titleholders, then there is no logical reason for titleholders of natural resources not to be described as private owners; the distinction that George sought to establish between private ownership of land and private possession of land dissipates; there is no logical reason for titleholders of natural resources not to be described as private owners. If George had not adopted his idiosyncratic notion of private ownership, and had realised that the system of tenure he called private possession was in fact a version private ownership, a major cause of the difference between himself and Leo would have been removed.

In some of his Australian lectures<sup>45</sup> in 1890 George was reported as saying that his preferred system of land tenure involved the title system known as 'fee simple', with increases in land value being reserved to the state.

## VII. Common ownership of nature's gifts.

It is significant that Leo and George both recognised the justice of common ownership of nature's gifts. George stated: 'to combine the advantages of private possession with the justice of common ownership it is only necessary to take for common use what value attaches

<sup>43</sup> J. B. Benestad, "A Catholic Response to Henry George's Critique of Pope Leo XIII's *Rerum Novarum*", *American Journal of Economics and Sociology* 71, no. 4 (2012): 922.

<sup>44</sup> "The Condition of Labour", para. 6 (emphasis added).

<sup>45</sup> See Pullen, *Nature's Gifts*. Passim.

to land irrespective of any labour on it'.<sup>46</sup> Leo's encyclical described the right of humans to natural resources as a common right: 'the blessings of nature and the gifts of grace belong in common to the whole human race'.<sup>47</sup> They both agreed that natural resources belong to everyone, and that no one should be prevented, by force or law or conquest, from having access to the benefits of natural resources.

But 'common ownership' can be interpreted either in a collective sense or in a distributive sense. If common ownership of land is understood as distributively owned or severally owned, each person in the society has a right of individual private ownership of some portion of land. When common ownership of land is understood as jointly owned or collectively owned, land belongs to the society as a whole or to its political head – the state or the government. Such a socialistic or communistic interpretation of common ownership of natural resources was rejected by both Leo and George. The distributive sense was explicitly expressed by Leo; he argued that the right of common ownership of land is consistent with the right of private ownership of particular portions of land. George explicitly rejected the right of private ownership of particular portions of land, acknowledging only a right of private possession of particular portions, but as argued in Section 5, a logical deconstruction of his concept of private possession leads to the conclusion that in advocating what he called 'private possession' of land, he was in fact advocating private ownership – as that concept is normally understood. If this deconstructed interpretation of George's concept of private possession of land is accepted, it would seem that, despite his assertions to the contrary, he agreed with Leo on the principle of individual ownership of natural resources, as well as on the principle of common ownership of natural resources.

### **VIII. Distribution of land between individual titleholders. Benefits for non-titleholders.**

A major difference between Leo and George occurred on the question of the distribution or sharing of land and other natural resources between titleholders (whether possessors or owners) and non-titleholders – that is, the problem of who gets what, and on what terms, and for how long. Although they agreed on the right of common ownership of nature's gifts, they differed on the means whereby the benefits of ownership of natural resources should be made available to everyone, and on how the benefits that accrue in the first instance to owners of natural resources should be distributed to those who do not have legal titles to individual portions. Leo argued that if landowners recognised and complied with their social obligations to non-landowners – as outlined in Section 3 above – some of the benefits that flow to landowners from land ownership would be distributed more widely; non-landowners would be able to enjoy the financial benefits of nature's gifts, and would thus in effect receive the access, in a financial sense, to which the right of common ownership entitles them. On the question of how the land is to be 'divided among private owners', Leo asserted that 'the limits of private possession have been left to be fixed by man's own industry and the laws of individual peoples'.<sup>48</sup> For Leo, the right of private ownership of nature's gifts is based on natural law, but the actual division of nature's gifts is to be set by positive law, not natural law. George regarded Leo's views on the distribution of land among private owners as less than satisfactory. He agreed with Leo that land was intended by God for mankind in general, and no part was specifically assigned by God to any particular person. But he did not agree

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<sup>46</sup> "The Condition of Labour", 8.

<sup>47</sup> "The Condition of Labour", para. 26.

<sup>48</sup> *Ibid.*, para. 8.

that industry expended on land creates a right of ownership of the land. It gives a right of ownership of the improvements made on the land, but not of ownership of the land itself.<sup>49</sup>

There was a crucial difference between Leo and George on the question of how the land-poor or land-deprived would fare. Under George's proposal, they would receive – by right, not by charity – their equal share of the revenue from the taxation of land values. Under Leo's proposal, the extent to which the land-poor will benefit from nature's gifts will depend on landlords' recognising and fulfilling their social duties as landlords, and on their impartiality and beneficence.

George doubted whether the rights of non-landowners would be protected under Leo's proposal, because it places exaggerated and naive hopes on the morality of landowners; it relies unrealistically on individual morality for the solution of a social or institutional problem, and on the preparedness of landowners to accept and comply with the Pope's admonitions. George argued that the goodwill and charity of the landowners does not excuse the social injustice of a maldistribution of the value of natural resources, and beneficence is no substitute for justice.

Leo argued that privately-owned land does not benefit the landowner alone, but is also of benefit to non-landowners and to members of society generally, even if landowners do not fulfil properly their sharing obligations. Leo argued that 'the earth, though divided among private owners, ceases not thereby to minister to the needs of all; for there is no one who does not live on what the land brings forth', either by directly consuming the produce of land or by paying for the produce of land by exchanging the produce of 'some laborious industry'.<sup>50</sup>

In the final section of the encyclical, Leo states that the success of his proposal will rest primarily, as a reviewer of this article has noted, on whether evangelisation of landlords can lead to appropriate reforms in their attitude to their social duties. The difference between Leo and George on this point might have arisen from a difference of opinion on human perfectibility. Is human nature fallen and sinful, or are we humans capable of bettering our condition as individuals and as a society with the help of evangelisation? But will evangelisation be sufficient, or do we need also the support of a reform of the laws of property rights in natural resources, or a combination of both measures? Are the two approaches mutually exclusive, or can they be mutually supportive? Both approaches are likely to experience implementation difficulties. Evangelisation of the landlords might be neither rapid nor readily acceptable to them. Appeals to the ethical principle of equal rights to land values, and the radical reformation of land laws to equalise the exogenous increases in land value, as proposed by George, will surely encounter vigorous opposition from vested interests and would not be readily incorporated into legislation.

In an outspoken rebuke, George said to Leo: your view that private ownership of land is of benefit to non-landowners and that no one will suffer from private ownership of land, is an 'insult to your intelligence'.<sup>51</sup>

## **IX. Equality in the ownership or possession of nature's gifts.**

Even if it can be established that Leo and George agreed on the right of individual private ownership of nature's gifts, there remains the question of whether the right should be an equal right. Should nature's gifts be shared equally by all the members of a nation, or society, or the world? All have a right to own nature's gifts, but is it an equal right?

Although there can be doubt about whether George's tenure policy for nature's gifts was a tenure of private possession or a tenure of private ownership, there can be no doubt that

<sup>49</sup> "The Condition of Labour", 35-36.

<sup>50</sup> "The Condition of Labour", para. 8.

<sup>51</sup> "The Condition of Labour", 33.

he advocated equality of tenure with respect to nature's gifts: 'The first and clearest of rights is the *equal* right to the use of the physical basis of all life'.<sup>52</sup>

He believed that equality in the use of natural resources can be achieved not by attempting the impossible task of dividing the natural resources into equal physical portions, but by an equal sharing, through the disbursement of taxation revenue, of the exogenous value accruing to natural resources. George thought that private ownership of natural resources has always led, and will inevitably lead, to monstrous inequalities.

Leo also referred to the right to natural resources as an equal right (as well as a common right): 'man is commanded... to use all the earth and the ocean for his profit and advantage... In this respect all men are equal'.<sup>53</sup> But the equality alluded to here appears to be an equal participation of everyone in the common right to all natural resources, rather than to equal private portions of the value of natural resources. The encyclical does not assert that the value of land and other natural resources that can be rightfully acquired by any one person should be equal to the amount that can be rightfully acquired by any other person.

Is it possible that Leo's reluctance or unwillingness to advocate *equal* rights of private ownership of natural resources might have arisen from the fear that such a system would be tantamount to socialism or communism, or that it implied a government-enforced equality of incomes and standards of living? Would Leo's reluctance have disappeared if George had made it clearer, or if Leo had understood, that the equality being advocated by George referred not to an impossibly equal physical sharing of land, but to equal financial shares in the revenue generated by taxation of the exogenous increments in the value of natural resources, and leaves unimpeded the freedom of each individual to exercise effort, enterprise and skill, so that even if all have equal shares of the value of the natural resources, the resulting standards of living could still be vastly different? It is a policy designed to encourage a greater equality of inputs, rather than one that ensures greater equality of outcomes.

Although Leo's encyclical argued, as George also argued, for the general principle of *common ownership* of natural resources, it did not support the principle of *equal ownership* of the value of natural resources – which could be seen as the essential principle of Georgism, even though George preferred to describe it as the *equal possession* of the value of natural resources.

Although George advocated greater equality in the ownership of land and other natural resources, he realised that absolute equality in that area would not be a feasible goal, and might never be achievable, but he nevertheless insisted that efforts to attain that goal, even if only approximately, and to attain the appropriate level of equality and the appropriate level of inequality in the ownership and use of land and other natural resources, would result in greater prosperity. The equality he sought did not involve a socialistic policy of state ownership of land; it was a policy of private ownership of land, with an equal sharing of exogenous increases in land value. His statement, often quoted by those who interpret him as a socialist, 'we must make land common property', appears at first reading to be a policy of socialist-type state ownership of land, but closer textual analysis shows that he wished to maintain existing rights and titles to private ownership of land, including 'fee simple' rights, but by taxation to transfer to community purposes the increases in land value that occur extraneously to or independently of, the productive efforts of the titleholders. He insisted that he was not a socialist, and he became separated from the Labor Party in New York because he could not accept the socialistic aspects of its policy program.

<sup>52</sup> Ibid., 104 (original emphasis). See also 4, 6, 7, 16, 17, 20, 88.

<sup>53</sup> "The Condition of Labour", para. 43.

## **X. Transformation of common ownership into private ownership: substances and accidents.**

In arguing that labourers have a right of private ownership of their products even though the raw materials required for their production are commonly owned, George made use of the philosophical notions of substance and accident, or essence and attribute. He argued that nature's gifts are essentially the common property of all, but the works done by a human agent in exploiting or developing nature's gifts are accidents or attributes, which become attached to the essence; and the combination of the substance and the accidents constitutes a new being, which can be morally claimed as the private property of the human agent because of the principle that human agents have a right of private ownership of their products:

Since the changes in which man's production consists inhere in matter so long as they persist, the right of ownership attaches the accident to the essence, and gives the right of ownership in that natural material in which the labour of production is embodied.<sup>54</sup>

He supported this argument by the example of water being carried from a natural reservoir: water is 'the common gift of God to all men', but when it is drawn from the natural reservoir, it 'passes rightfully into the ownership of the individual who by changing its place has produced it there'.<sup>55</sup>

George does not explain how an accident that becomes attached to an essence can overwhelm the essence to such an extent that the essence is transformed, and a new essence is created in which the accident becomes the new essence and the old essence becomes an accident. If, as George maintained, natural material is essentially common property, it is difficult to see how this common-property essence is destroyed and changed into a private-property essence by the activity of an individual person who takes, uses, develops it, or changes its location.

George could well be asked: If the labour employed in production can justify private ownership of the product even though the natural resources used to make the product are in common ownership, why cannot the same argument be used, as Leo used it, to justify private ownership of natural resources on which labour has been employed? Both Leo and George argue that the employment of labour provides a moral argument for transferring natural resources from common ownership to private ownership, with the proviso in George's case that the exogenous increases in the value of natural resources be shared equally.

George's metaphysics does not appear to weaken the logic of the argument that if there is no right of private ownership of nature's gifts, there can be no right of private ownership of the products resulting from human work on nature's gifts.

## **XI. Conclusion**

The views of Leo and George on the ownership of land and other natural resources seem at first sight to be dialectically and irrevocably opposed; but an analysis of their respective positions suggests that there could be scope for at least a partial *rapprochement*. Given that Leo and George had so much in common, why and where exactly did they differ? The answer is found at two levels: principles and policies. At the level of principles, they differed on the equality issue. George insisted on the principle of equality of use or ownership of natural resources. Leo did not explicitly oppose that principle, but did not explicitly support it. At the

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<sup>54</sup> "The Condition of Labour", 30.

<sup>55</sup> Ibid.

level of policies, George prescribed the collection (by taxation) of the exogenous value of land, and a redistribution of the taxation revenue in a manner that benefits all, either equally, or as equal as is administratively possible. Leo also believed in taxation revenue being used for the equal benefit of all, but did not propose specific taxation of the exogenous value of land.

Any reconciliation or *rapprochement* between Catholic Social Teaching and Georgism would seem to be achievable only if several developments of principles and policies were to occur:

1. if Catholic Social Teaching, instead of dismissing equal ownership of natural resources as physically impossible and as an anti-social Communistic dream, were to acknowledge that the principle of equal ownership of natural resources can be put into practice by an equal sharing of increases in their current value.
2. if Catholic Social Teaching were to recognise that George's program involves an equal sharing of the exogenously-created value of natural resources – often confusingly referred to as their unimproved value – not to the impossibly equal sharing of the physical resources, and that the use and distribution of their exogenous value should be equal, rather than merely common. Such a development would remove a major difference and generate significant *rapprochement*.
3. if Georgism abandoned its distinction between private possession and private ownership of natural resources, or, in other words, accepted that George's concept of private possession of land was, in effect, a concept of private ownership when that concept is understood to include the right of the state to levy taxes on increases in the exogenous value of land and other natural resources.
4. If Georgist taxation theory were to recognise the legitimacy of forms of taxation other than land-value tax, and abandoned the policy of a Single Tax. George expressed reservations or misgivings in his Australian lectures of 1890 about the appropriateness of the term 'Single Tax' as a descriptor of his policy of land reform.

Developments (1) and (2) would not involve a *reversal* of Catholic Social Teaching. Leo's encyclical did not discuss and did not oppose the principle of an equal sharing of the value of natural resources. Developments (3) and (4) are consistent with a neo-Georgist interpretation, rather than a literal interpretation, of George's writings, and would preserve intact the fundamental principle and purpose of Georgism, namely, the equal sharing of land and other natural resources.

George's insistence on restricting the right to nature's gifts to a right of possession rather than a right of ownership, and Leo's reluctance to advocate equality in the distribution of the value of nature's gifts, have served to alienate Georgism from Catholic Social Teaching, and to prevent their making a combined attempt to improve 'the condition of labour.'

The commonality of Leo and George on the question of the ownership of land and other natural resources should not be exaggerated, but should also not be ignored.