

interest to Georgists would be valued by the United Committee.

In Columbia a steady propaganda is maintained by Dr. A. J. Restrepo, whose TRIBUNA (Bogotá) has many encouraging letters from Georgist compatriots. News of legislative action would be welcome in view of the vast commercial revival that should shortly follow the opening of the Panama Canal, whoever it rightly belongs to.

### SPAIN.

EL IMPUESTO UNICO for October is a special Henry George number in all but name. Eight pages are devoted to a very full account of his funeral and the funeral speeches. Prof. J. Diaz-Caneja tells once more the story of Father McGlynn, and defends Georgism from charges of opposition to Church teachings; these he shows to be concerned with justice as well as almsgiving. Mr. Albendin sets out fully the painful story of the Madrid tramways, whose expiring concessions seem likely to be given a new period without advantage to the public through that subtle alchemy that transmutes corruptible public servants into dividend warrants. There are full reports of the birthday dinners—when the organisation of Liga branches was in each case completed—at Haro, where nearly 100 took part, and the public who had come to hear the speeches bought out the literature stall; at Seville, where at this first Georgist festival about fifty attended, and at Ronda itself. The respective Presidents and Secretaries are: Haro, Mr. S. G. Baquero and Mr. E. Serralde; Seville, Mr. S. G. Aumente and Mr. A. Ariza; at Ronda are those of the Liga, Mr. Albendin and Mr. J. V. Reina. Dr. F. Vitale furnishes very careful British notes, showing how our philosophy bears upon the strikes at Dublin, &c., the co-operative and Trade Union Congresses, and syndicalism.

It seems that at Santander and Bilbao the single-tax agitation is gathering force: LA REGION, CANTABRA, which has already done notable service to the cause, announces a special great gathering of Georgists in the former city with a view to organising a Biscayan branch of the Liga.

The Press generally continues remarkably "good": FIGARO, a big daily of Seville, gives daily for months together the first place to our propaganda in leading articles, and very good work is published in LA TRIBUNA of Las Palmas (Canary Islands), and EL PORVENIR DEL OBRERO of Mahon in Minorca. These extremities of the kingdom, separated by 1,500 miles, are united as single taxers, and with fully thirty newspapers on the mainland, of which the official Republican Party organs are only the largest and most thoroughly organised part. Relations between the King and the Republican leaders are reported as growing in cordiality as the true patriotism of the latter is manifested.

M. J. S.

Labour is not the source of all wealth. Nature is just as much the source of use values (and of such, to be sure, is material wealth composed) as is labour, which itself is but the expression of a natural force.—KARL MARX, quoted in the INTERNATIONAL SOCIALIST REVIEW, May, 1908.

We have seen that the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production.—KARL MARX, in DAS KAPITAL.

In the society of to-day, the means of labour are monopolised by the landed proprietors. Monopoly of landed property is even the basis of monopoly of capital and by the capitalists.—KARL MARX, quoted in the INTERNATIONAL SOCIALIST REVIEW, May, 1908.

### POLITICAL ECONOMY AND LAND.

BY THE LATE PROFESSOR J. E. CAIRNES.

(An extract from Professor Cairnes's ESSAYS IN POLITICAL ECONOMY.)

Sustained by every name of the first rank in political economy, from Turgot and Adam Smith to Mill, I hold that the land of a country presents conditions which separate it economically from the great mass of the other objects of wealth—conditions which, if they do not absolutely and under all circumstances impose upon the State the obligation of controlling private enterprise in dealing with land, at least explain why this control is in certain stages of social progress indispensable, and why, in fact, it has been constantly put in force wherever public opinion or custom has not been strong enough to do without it. And not merely does economic science, as expounded by its ablest teachers, dispose of *a priori* objections to a policy of intervention with regard to land, it even furnishes principles fitted to inform and guide such a policy in a positive sense.

Where wealth is provided by human industry, its having value is the indispensable condition to its existence—to its existence, at least, in greater quantity than suffices for the producer's own requirements; and the most obvious means of rendering this condition efficacious as a stimulus to industry is to recognise in the producer a right of property in the thing he has produced. This is, economically speaking, the foundation on which private property rests, and the most solid and important of all the reasons for the institution. It is one which applies to all the products of human industry, but which obviously can have no application to a commodity which "no man has made."

Their value (omitting the, in most instances, infinitesimal portion of it which covers rent) corresponds to their cost of production. It is not so with land which possesses value, even in its crudest form; with respect to which, therefore, whatever other reasons may be urged in favour of giving it up to private ownership, that reason cannot be urged which applies to the mass of the other objects of wealth—namely, that this mode of proceeding forms the natural and most effective means of encouraging industry useful to man.

It will be said, however, that the fact in question is, after all, pertinent to the controversy only while land remains in a state of nature, and that my argument ceases to have practical force as soon as the soil of a country has been brought under cultivation and is improved by industry. This exception, I admit, is to a certain extent well founded—only let us carefully note to what extent. Of the labour employed on land, all that is directed to the raising of the immediate produce, and of which the results are realised in this produce—that is to say, the great bulk of all the labour applied to the land of a country—finds its natural remuneration in these results, in this immediate produce. Such labour, recompensed as it is by the immediate returns, and leaving the soil substantially as it found it, cannot form a ground for rights of property in the soil itself. No more can labour employed, not upon the cultivated soil at all, but in extrinsic operations—in making roads, bridges, harbours, in building towns, and in general in doing things which, directly or indirectly, facilitate the disposal of agricultural produce. It is true that labour thus employed affects the value of land; and there are writers who have relied upon this fact, as identifying in principle landed with other property, showing, as it does, a connection between the value of land and labour expended. Unfortunately for the analogy they seek to establish, the labour that is expended is expended, not

upon the land whose value it affects, but upon other things; and the property which results accrues, not to those who exert or employ the labour, but to other persons. A bale of cloth, a machine, a house, owes its value to the labour expended upon it, and belongs to the person who expends or employs the labour; a piece of land owes its value, so far as its value is affected by the causes I am now considering, *not* to the labour expended upon it, but to that expended upon something else—to the labour expended in making a railroad, or building houses in an adjoining town; and the value thus added to the land belongs not to the persons who have made the railway or built the houses, but to someone who may not even have been aware that these operations were being carried on—nay, who, perhaps, has exerted all his efforts to prevent their being carried on.

Property in land is not measured by the value which industry has added to the land, but is co-extensive with the whole value of the commodity, from whatever causes arising, while the property in such results as human labour has fixed in the soil does not pass to him whose exertions have produced them, but to him who happens at the moment to be legal owner of the improved ground. The fact, in short, does not advance us a step towards the required assimilation; it merely shows us this, that there is a portion of landed property which man has made, which is strictly the product of human industry, which, therefore, would rest on the same footing as property in other industrial products, were only the laws of landed property somewhat wholly different from what they are.

It follows, then, that the distinction drawn between property in land and property in other things, founded on the fact that "no man made the land," by no means terminates with land in a state of nature, unless so far as the existing value of land is due altogether to the industry expended upon it the distinction applies equally to all lands, cultivated or wild. Property in cultivated, no less than in wild, land, consists largely in value which no human industry employed upon the land has created. There may be good reasons for the institution of property in land, but they are not the reasons which support the institution in its other forms; in particular, landed property is wanting in that foundation—the strongest of all those on which property rests—the expediency of securing the labourer in the fruit of his toil.

The argument, as thus conducted, carries me, I admit, no further than to this negative conclusion. It rebuts an *a priori* objection to legislative action, founded upon an assumed analogy between land and other kinds of wealth. To exhibit the positive reasons which explain and vindicate a policy in the direction contemplated, we must go a step further, and bring into view the causes which determine the existence and growth of agricultural rent, and, in relation to these causes, the position occupied by the owners of land on the one hand, and by the general community on the other.

The phenomenon of agricultural rent is, economically considered, of this nature: it consists of the existence in the returns to agricultural industry of a value over and above what is sufficient to replace the capital employed in agriculture with the profit customary in the country. The qualities of different soils being different, and the capital applied even to an area of uniform fertility not being all equally productive—farms differing, besides, in respect of their situation, proximity to market, and other circumstances—it happens that agricultural produce is raised at varying costs; but it is evident that when brought to common markets it will, quality for quality, command the same price. Hence arises, or rather hence would arise in the absence of rent, a vast difference in the profits upon agricultural industry. The produce raised under circumstances of exceptional advantage will bear a larger pro-

portion to the outlay than that raised under less favourable circumstances; but as it is clear that, in a community where people engage in agriculture with a view to profit, even this latter portion would need to carry such a price as would give the producer the same profits which he might obtain in other occupations, it follows that all the produce except this, sold as it is, quality for quality, at the same price, must yield a profit over and above the customary profit of the country. This surplus profit is known to political economists as "rent," and we may conveniently distinguish it from rent actually paid by cultivators as "economic rent." Arising in the manner described, "economic rent" cannot properly be said to owe its existence to either labourer, capitalist, or landlord. It is rather a factitious value incident to the progress of society, under external physical conditions which necessitate the raising of raw produce at different costs. This being its essential nature, it is plain that, so long as the rent paid by the cultivator of a farm does not exceed what the amount of "economic rent" would be, so long those engaged in agricultural industry will be on neither a better nor a worse footing than those engaged in other occupations. The labourer will have the ordinary wages, the capitalist the ordinary profit of the country. On the other hand, it is evident that if the cultivator be required to pay more than this—if the rent exacted from him encroach upon the domain of wages and profits—he is so far placed at a disadvantage as compared with other producers, and is deprived of the ordinary inducements to industry. It thus becomes a question of importance, what provision exists in the conditions of an industrial community to prevent this result; what security we have that the limits set by "economic rent" shall, in the main, be observed in the actual rent which landlords obtain.

The soil, over the greater portion of the inhabited globe, is cultivated by very humble men, with very little disposable wealth, whose career is practically marked out for them, by irresistible circumstances, as tillers of the ground. In a contest between vast bodies of people so circumstanced and the owners of the soil—between the purchasers without reserve, constantly increasing in numbers, of an indispensable commodity, and the monopolist dealers in that commodity—the negotiations could have but one issue—that of transferring to the owners of the soil the whole produce, *minus* what was sufficient to maintain in the lowest state of existence the race of cultivators. This is what has happened wherever the owners of the soil, discarding all considerations but those dictated by self-interest, have really availed themselves of the full strength of their position. It is, in short, the inevitable result where land is given up to be dealt with on commercial principles unqualified by public opinion, custom, or law.

*largest and most thoroughly organized party in the House of Commons, the Liberal Unionists, are reported to be growing in popularity as the true patrons of the nation.*

The Earl of Guilford, whose seat near Dover was destroyed by fire last week, is one of the Kentish landowners who will be greatly enriched as the result of the proving of the coalfield which underlies this part of Kent.

Taking the mean of the three bore-holes which have proved the coal north-west, south and east of Waldershare Park, it is estimated that an average of 70 feet of workable coal lies beneath this estate of 3,745 acres. At 1,200 tons per foot per acre, the usually accepted basis for calculation, this nobleman may be said to own 314,580,000 tons of coal!

It may be some solace to Lord Guilford in his recent deplorable loss to know that the Tilmanstone Colliery, on the northern edge of his estate, will be working his coal within the next few months. The coal itself is friable and dirty, while it requires too strong a draught to burn in an ordinary fireplace, but this will not affect the royalty of 9d. per ton.—LONDON MAIL, October 18th.