

was £2,067. The price the Council paid was 57 times the annual rental.

Members of the Buckinghamshire County Council recently went in saloon coaches on a tour of inspection to see the preservation schemes. They saw what was to be seen in grass, tree and hill ; but what they could

not see while in the open air was the scandal of our times that these figures clothe. Members had lunch at Chalfont Park Farm (did they drink to their masters?) and tea at Runnymede Spanish Gardens, quite a suitable place for the ghosts of King John's Barons to watch them and smile.

A PRECURSOR OF HENRY GEORGE

Auguste Walras (1801-1866)

THERE HAS recently appeared a new edition, the first since it was originally published in 1831, of Auguste Walras's *De La Nature de la Richesse* (Paris, Félix Alcan, 50 fr.). This work is interesting to the student of economics as the first attempt to establish a theory of value based upon considerations of utility and scarcity. The present edition is of particular value because of the Introduction by Professor Gaston Leduc, in which he gives a résumé, extracted partly from other works now out of print and partly from unpublished manuscripts, of A. Walras's views on the application of economic science to social questions.

His opinions regarding property in land were not likely to be popular at a time when the propertied classes were alarmed at the attacks of Proudhon. It would appear from Professor Leduc's biographical notes that his career was endangered, and it is hardly surprising that his work sank into oblivion except in so far as it influenced his son, Léon Walras, who became professor of political economy at Lausanne University.

We translate from Prof. Leduc's introduction the following passages summarizing A. Walras's observations on economic rent and property in land :—

The science being thus established, it remained to make use of its teachings in the pursuit of a social ideal, by way of an "accomplishment of natural law," that is to say, in the end by a suitable modification of the legal institutions of society. We think we have established that Auguste Walras deliberately directed himself to this object. The science of wealth it seemed to him should lead to a theory of property. Such had in any case been the starting point of his scientific researches : the object of property, as a social institution, is to be found in wealth, that is to say, in objects that are scarce. No one has any interest in asserting an exclusive title except to objects which others cannot freely obtain. It is limitation of quantity which, creating value, makes things exchangeable and liable to appropriation. From this it follows that property has no reason except in an economy of scarcity in which because of the insufficiency of the things available to satisfy needs, certain needs must be sacrificed. And property, by delimiting the field of deprivation, is the instrument of this sacrifice. It is property therefore which determines the distribution of wealth among all those who share in the results of the work of production. But in order to formulate an acceptable and valuable judgment on the results of its working it is necessary in the first place to know the requirements of social progress, properly understood. According to A. Walras there are two : *abundance* of the material results of the productive effort of men, and *equity* in their distribution.

In order to stimulate production—although the ideas of our author on this point were somewhat loosely formulated—it is only necessary to trust to the play of competition, admitting nevertheless that this necessitates some kind of organization. But "the suppression of monopoly, freedom for industry and commerce, and competition honestly practised drive out of selling price all parasitic elements, and bring down the price of things to the most moderate cost of production,

produce abundance and make for the well-being of consumers, that is, of every one."

As to equity in distribution, that can only be attained by a good system of property, assuring to each the proper remuneration of his labour and reserving for the community, that is, the State, those products which are not the result of previous effort. The whole is summed up in one single problem : "To determine the realm of property and the realm of the community ; to determine the part of the State and the part of the individual," a fundamental discussion which solves with one blow the question of property and the question of taxation, "which is nothing but a requisition upon private property," and which furnishes a rational solution to all differences of opinion. Because "property, taxation, communism and socialism are in the end nothing but four aspects of the same problem." . . .

In his analysis of the various elements of which social wealth is composed A. Walras had distinguished between three capital values : on the one hand land and individual faculties, both natural and primary values, and, on the other hand, artificial capital, the fruits of saving and economy ; these three kinds of capital giving rise to three kinds of incomes : the rent of land, wages and interest.

Seeking for the laws which regulated the movement of these three kinds of income in a progressively evolving society, he arrived at conclusions so near those of Ricardo that one wonders how far a similar disposition of mind moved him, for he nowhere acknowledges the influence of that author. It is true that these common conclusions were not reached by the same chain of reasoning. A. Walras applied his theory of scarcity-value to the three elements which he had distinguished.

In a society which progresses in population and wealth the need for the lands required for agriculture and other uses increases, while the available quantity of usable land remains constant ; as a result there is a growing increase in the scarcity, that is, in the value, of land, and despite an alleged decrease in the proportion of rent an increase in the total amount of rent. In the case of artificial capital the law of evolution is exactly the inverse : it increases constantly and more rapidly than wants, it becomes cheaper and the amount of return to it diminishes which induces a progressive reduction in the rate of interest. As to labour, the return to personal efforts "remains more or less stationary," immobile between the enhancement of land rent and the lowering of interest. The reason is very simple : the needs of human faculties evolve at the same rate as those faculties. If man is a consumer he is also a producer. With each birth there is born a mouth to consume and also two arms to produce. "The mouth employs the arms, the arms feed the mouth" ; the relationship is constant, the two increase and decrease in the same proportion.

On this account our author declines to adhere to the school of Malthus. "How can one apprehend an excess of population when every newcomer into society represents a head and two arms more?"

He sums up his conclusion thus ; "In a progressive

society life becomes more and more easy for the landed proprietor, more and more difficult for the capitalist properly so called, while for the worker it becomes neither more easy nor more difficult."

Such a social dynamic discloses facts opposed to justice, when progress which should benefit all is to the advantage only of the landholder. This is the essential phenomenon, forming on the one hand the basis of a rational explanation of economic antagonisms and forming on the other the starting point of a doctrine which can be called scientific and which envisages the renovation of society by extirpating unmerited idleness and organizing productive activity in the interest of the working classes. A theory of classes evolves from this "primitive and generative" fact; humanity is divided into two parts, essentially antagonistic to one another; the landed proprietors, "parasites who live on rent," on the one hand, and on the other proletarians, that is all those who do not have land, workers, and even—what may seem somewhat surprising—capitalists, for these unexpected proletarians, even if they do not exert any productive labour, are in the eyes of our author non-workers who have attained their leisure by an exertion of economy and "rest after having worked."

It is necessary therefore to put an end to this inequality which arose in the transition from the "pastoral society" to the "agricultural society" out of a confusion between agriculture and property in land, and which has become aggravated in course of time.

What Ricardo as a pure theorist debarred himself from doing, A. Walras had the courage to accomplish by following his reasoning to its logical conclusion. Outstripping Destutt de Tracy and even the two Mills, he was the forerunner of Henry George. In order to enable each one here below to use all his opportunities in the struggle for existence, to suppress all social handicaps, to achieve in his phrase "equality of conditions" and to give free play to the efforts of individuals to produce "inequality of positions," it is only necessary to assign the land to the State. No doubt it will be necessary to inconvenience its present possessors by requiring them to account for the part of the increased value which they had legally hoped to collect. But the community would soon find the advantage of this; enjoying henceforth a continually increasing land revenue, it would progressively be put in the position of meeting its expenses without having recourse to fiscal impositions. For the rest, the operation of land nationalization could be effected in large measure by means of a tax on rent. In any case from the moment that the object was achieved, society, disencumbered of its parasites and having secured for the working classes the justice they have so long demanded, would at last have realised its salvation.

By Henry George

PROGRESS AND POVERTY. An Inquiry into the Cause of Industrial Depressions and of Increase of Want with Increase of Wealth—the Remedy. New Edition: Cloth 1s. In Marone limp rexine, gold lettering and gilt top, 2s.

SOCIAL PROBLEMS. New Edition: Cloth, 1s.

PROTECTION OR FREE TRADE (Abridged). Stiff paper covers, 6d. Cloth, 1s.

THE CONDITION OF LABOUR. Cloth, 1s.

A PERPLEXED PHILOSOPHER. Cloth, 2s.

"Gift Edition" of the above five books specially bound in Red Rexine, post free, 10s. 6d. home; 12s. 6d. abroad.

Full list of 66 titles from 1d. upwards from the Henry George Foundation 34 Knightrider Street, London, E.C.4.

HOW FREE TRADE WOULD WORK

To the Editor of "Land & Liberty"

SIR,—What would happen if by the action of some far-seeing statesmanship Great Britain or say the United States were to sweep away entirely all protectionist trade barriers? It affords a fine subject for thought. What would happen if the United States took this lead?

I myself have thought of it in connection with the U.S.A. The opening of this vast market to the goods of all the world would, I think, be a tremendous stimulus to world prices and go far to cure that "cheapness" which our protectionists so fear, but which, I think, is merely the characteristic of "distress" merchandise. If then the expected deluge of foreign goods did materialize, it would call for a corresponding movement of American products abroad to pay for them, for of course you "furriners" are not going to give us your goods free gratis for nothing. We'd corral the lion's share of the world's trade and steal a big march on our fettered competitors, gaining an advantage they could offset only by following our example. I believe any one of the great industrial and commercial nations could do this, even though perhaps not to the same degree or extent as the U.S.A. could.

There's been some "beefing" here over the purchase of Argentine canned beef for our navy, and our new naval bill contains a proviso that only American canned beef shall be bought. There's very little of this to be had, for the beef parts that were formerly corned and canned are now devoted to what have come to be called "hot dogs" (Frankfurter sausages), for which we've developed an enormous appetite. Why the protectionist mind is unable to see that a dollar's worth of foreign products imported, far from displacing domestic products, only creates or transfers abroad a demand for a dollar's worth of domestic products exported to pay for it, is something I'd give a lot to understand.

I recall many years ago, when this country was busily engaged in "financing our export trade" by granting large loans and credits abroad, that Congress decided that such loans or credits should be granted only on condition that the credits be spent here. No one in Congress seemed to understand that in the end they could be spent nowhere else. Even though Argentina, for instance, might use such a credit to pay an obligation in Europe, it remained what it was before, a credit to be spent here. A bank of issue might as well stipulate on its notes that they should be redeemed nowhere else.

Yours, etc.,

STEPHEN BELL.

Clifton, New Jersey, U.S.A.

Other Authors:

THE PHILOSOPHY OF HENRY GEORGE. By PROF. GEORGE RAYMOND GEIGER. With Introduction by PROF. JOHN DEWEY. Cloth 10s.

THE THEORY OF THE LAND QUESTION. By PROF. G. R. GEIGER. Cloth, 9s.

LAND AND FREEDOM. A new, comprehensive and up-to-date Work on Land-Value Taxation. By FREDK. VERINDER. Cloth, 2s. 6d.

LAND-VALUE RATING. Theory and Practice. By F. C. R. DOUGLAS, L.C.C. Cloth, 2s. 6d.

THE TRUE NATIONAL DIVIDEND. The Pros and Cons of Social Credit. By W. R. LESTER, M.A. 3d.

A GREAT INIQUITY. By Leo Tolstoy. 3d.