

parasites of production. Their regard for all men outside their exclusive ranks is solely for exploitation, for more wealth, for passion, for a round of pleasure without end. Altruria is not in their geography; nor is there a flower of sympathy in their garden of revelry. Their philosophy is that some were born for a life of ease, to have and to spend, while the commonality were born for a life of work, want and worry.

(The End.)

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## THE LATIFUNDIUM.

By **BALDOMERO ARGENTE.**

*(Translated for The Single Tax Review by M. J. Stewart.)*

[The accomplished translator of this article seems to have sacrificed to literalness something of euphony—something perhaps of clearness. Many of the English phrases that render faithfully the Spanish of the original will strike the reader of the **REVIEW** as obscure, and many others as unusual. But little or no attempt has been made by the editor to alter the translator's phraseology which is allowed to stand.—Editor **SINGLE TAX REVIEW.**]

On the occasion of the debates which took place in the Senate (of Spain) about a year ago on the bill to abolish municipal import duties upon food-stuffs, the president of the Ministerial Council sketched the general lines of the rules which should direct the action of Spanish liberalism in economic affairs, recognizing that in this field there are substantial differences between the conservative and liberal parties—whether in regard to the freedom of trade and commerce, or in regard to the continuance of the idea of property on its progressive evolution, resisted throughout the centuries by the conservative elements and won by the democratic factors, which has to adjust itself to the alterations in juridical ideas and in social conditions. In the exposition of these duties of liberalism in relation to economics Senor Canalejas pronounced a word, alluded to an evil for whose denunciation the time was ripe—the latifundium, the “great estate.”

Canalejas was the first militant Spanish politician of the present day to discuss as a most urgent problem of our country the depopulation by the existence of great estates, and who threw into the Parliamentary arena the

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[**TRANSLATOR'S NOTE.**—This is a good specimen of the work of the accomplished translator of “Protection or Free Trade?”; who is as anxious to win over support from organizations outside our ranks as he is firm in upholding the Single Tax faith in its purity against all opponents. There are not six countries in all the world with more Croasdale Single Taxers today than Spain: but of all these there are none of more use today than the three or four who at the outset decided to abolish the sin of land monopoly in their beloved country. Of these, Baldomero Argente is only one of the best known, and consumed as ever by the spirit of Garrison the Abolitionist.—**M. J. STEWART.**]

agrarian problem as an unescapable matter of debate, as an unforgettable preoccupation of the Liberal forces and governments. That was some years ago. Most politicians sneered then. A Radical would tell you that a bomb had been fired at a cloud-bank. Others said it was a mere "catchword" of Canalejas to treat of the subject, arguing that with the actual membership of Parliament one could not undo certain evils whose remedy could not be the work of the legislator; and that to denounce the existence of immense properties, waste or half cultivated, as one of the afflictions of the country was only to rekindle the flames of agrarian demands smouldering in the breasts of propertyless peasants, engendering for the morrow bloody conflicts and the most grave disturbances. Moderate Radicals and blind patriots! They voluntarily close their eyes to the problem of problems at the core of social life, to the social evil without whose remedy all other solutions and political reforms are useless, adjectival, superficial. Just as the earth sustains and nourishes us, the agrarian problem is the cement of every problem, political and social alike. Today no one sneers when there is talk of this assumption. The ideas that Canalejas, Minister of Agitation, promoted have marched on. But how slowly they progress! There yet requires much effort before the problem, seen only partially by the policy that today directs the Liberal party, presents itself in its naked reality before the blind ruling class that leads our nation to destruction.

When the dust of various questions that now disturb our mind and trouble us will have settled down, when our ideas of social reform and of political rivalry shall have acquired the logical vigor and broad strength that now is wanting for lack of study of realities and keeping to a bookish sociological dilettantism, this indisputable and primary truth will be recognized—all the Spanish problems, like all the social problems, like all historical phenomena and movements, reduce themselves in the end to the problem of the agrarian regimen, and to that of the land in the towns, two aspects of the same question.

Because the two questions, twin brothers, are the origin of a parasitic class, of an excessive extortion from the producer, and of a progressive reduction in the productive employment of capital; with all the consequences that for the ethical atmosphere, for the love of culture, for political harmony, for the health of the race,—in a word, for the physiological and the spiritual, flow therefrom.

These affirmations are the rigorously scientific deductions from this other: all the structure, material and moral, of a society is formed upon its economic constitution; and the base, the root of the modern economic constitution, is the exclusive appropriation of all the land, cultivable or capable of use, of a country—appropriation which, giving origin to monopoly rent determines all the other effects of the capitalist economy. It is not my intention, nor would the natural dimensions of this work permit me, to explain fully this thesis. Those who desire further enlightenment I refer to the two admirable works of Achille Loria, "*Analisi de lla propietà capitalista*," and "*La consti-*

tusione economica moderna"; in these two they will find more light upon the fundamental problems of the age than in all the rut-worn lucubrations, now being shattered in Europe, that our governors and titular sociologists can get together.

I desire only to signify and indicate the bond between the Spanish Liberals and the agrarian reform movement which is rising in every cultivated country and even found feeble expression at the IX International Congress of Agriculture, which met in Madrid. They, by the lips of the responsible head, announced the necessity of careful consideration as to great estates. The last International Congress of Agriculture, in the midst of other matters of less importance, strictly technical, had to fall again into the same statement, because there is no other without opposing their own interests than this theme of the agrarian regimen in whatever direction is made the search of the social investigator. Doubtless, the deliberations of the Congress gave no actual positive result: in this matter the last Congress like its eight predecessors has led to an equal "blind-alley." But it is not right to shelter much hope or to have much faith in results of these International Congresses of Agriculture. That the agrarian constitution decides the poverty or the prosperity of a countryside no one can doubt. In Spain who could discuss it looking at the ruin of Andalucia and the relative flourishing state of Valencia and Vizcaya, and comparing their contrasted agrarian situation? But the clearness of the ruling idea has not passed as yet into our country, nor indeed into Europe, England excluded. In Spain one discusses as yet the effective existence of the great estate even to its beneficial or pernicious influence upon agricultural production. In 1905 was called together under the patronage of the King a gathering to formulate a memorial on the agrarian problem in Andalucia. The authorities under presidency of Premier Moret were enthusiastic as to the results of the meeting. It was kind: I have read many of these memorials, rich in dates, poor in reasoning, so poor in logic as to produce a feeling of pain. And, no doubt, the problem is so clear that to see it dimly in the words of these directing gentry lets filter into the soul a suspicion that powerful influences are employed to darken counsel. Whoever looks honestly to first principles must see in this question the definite idea, "Poverty, the misery of the cultivator." In this destitution of the cultivators originate methods of farming which destroy fertility, the reduced employment of capital, meagre and reduced wages, cunning evasions of duty—a number of aspects of the one central cause.

But to escape from all this, how many are the tortuous solutions! That which prevailed at the meeting was "Increased production." It was seemingly congruous, and this without doubt attracted the superficial attention of the authorities. Studied carefully, it is utterly incongruous. "Increase production!" Between whom is the produce of the soil of Andalucia divided? Between the landlord, the enterprising cultivator, and the laborer. On whom does the burden of misery fall? Primarily on the farmer, from whom it reaches the laborer. To whom would go the greater production? Without any manner

of doubt the increased product would raise the rent paid, and, in consequence, would fall into the hands of the landlord, not into those of the farmer. And as it is his poverty and not that of the rent owner which constitutes the problem the remedy is therefore not congruous with the evil. It would form a *partial* solution in districts where the predominant type of cultivation is direct, by the owner; and besides *partial* it would be transitory, for the elevation of the amount produced determines an elevation of rent sufficient to stimulate absenteeism. It would be a *complete* solution in certain portions of Zamora and Leon, where still survive the communal landowning and the triennial division of the fields among the neighbors. But in Andalusia the rule is tenancy and subtenancy, in some parts for the space of a year. This custom of land exploitation aggregates and depopulates them inevitably: because the law of "economy of labor," which rules all social functionings, incites both the landlords and the farmers to seek the "largest product" with the "minimum outlay of capital," falling finally into the formation of these *latifundia* which are the pure formula of this vicious agrarian economics.

This solution: to increase the productiveness of the land, is demanded at every Congress of Agriculture, because it is seductive at the first glance. Its essential defect is attention to production and carelessness as to the distribution of the product—distribution which has in its train the question of returns, and by so much, that of the stimulus by the outlay of capital and labor, the essential feature of the problem. In union with these solutions one hears often of others equally useless. One generally current in party programmes is the organization of agricultural credit; beneficial for the cultivating owner, useless to the cultivating tenant, and in itself foreign to the agrarian economy of a country like ours where eighty per cent of farmers are not owners, or merely so in name. They talk also of the inalienable homestead, the "cottage garden," of German methods of dividing land, of judicial immunity, of the family patrimony, of the hundred shattered formulas that successively have been attempted in legislation in other countries with equal nullity of result.

There is least of all mentioned the true opening for discussion: the distribution of the products. I have here the law of this problem: when the share for rent is or can be proportionally excessive, farming is miserable, exhaustive, and the farmer is poor. Why is there no agrarian problem in Vizcaya and Valencia? Because rents are fixed or almost fixed, and increased production goes in consequence to the benefit of the farmer and not that of the landlord: this leads in agrarian economics to the search for the "greatest product with the greatest outlay of capital and labor"—only not realizing itself fully because of the difficulty and reactive influences of a vicious system of taxation. Common sense, with no necessity for deep study, says that the harmonious answer to a problem that consists of the poverty of the farmer follows in an increase of the proportion participated in by the farmer, who is now in misery, of the total product: for by this method, primarily redeeming him from poverty, there is a further result in the accumulation and outlay

of capital, in the improvement on the property, in the demand for implements, in the reconstruction of his business credit by his own possessions, and by permitting him by the increase of his goods to make the necessary savings, agriculture is reborn and the whole country aggrandized. But then to increase the proportionate share of the farmer in the product there is no other way, it is utterly impossible to conceive of another way, than to lessen the proportionate share of the landlord in the product: that is to say, the rent. If the farmer takes more, it is precisely so much less for the landlord. And how many solutions arise from this fountain, holding with or without knowledge to include this opinion under varying formulas! When one keeps in mind that in speaking of "more" or "less" it is *proportional*, not *quantitative*—that is to say, that the total sum received by the farmer and by the landlord may both be increased if the total product is increased, and the share proportionally taken by each be unaltered; it will be seen that the object is to alter the terms on which the farmer and the landlord begin to share the total product, which is the rate per cent.

This was set out by the great Gladstone, who in speaking of urban misery—the same problem in origin, nature, and law as rural misery—before the "National Liberal Club" (July 29, 1887) explained it in such a manner. Gladstone inserted such an idea of the problem in his laws for Ireland, and these laws—broke down. There is here a misfortune which would invalidate all we have said above, if one does not examine its reason; hence have been drawn the arguments of the defenders of other doctrines.

Gladstone desired to relieve the Irish peasants of the enormous burden of rent that they paid, whose oppression even forced them to emigrate as today our laborers of Andalusia are forced to emigrate. To relieve them, how? By converting them into landlords. The tenants bought the lands from their lords, the State advancing the money. This seems at the first glance very good, not conflicting with the laws of economics. But these facilities to purchase lands had as result the raising of the price of these; and purchase became impossible or was converted into a bargain worse than the payment of the old enormous rents.

The law was altered to escape these abuses; the land was to be valued not at the owner's caprice, but according to the rent paid at so many years' purchase, say 20: the effect of the new law was to worsen the condition of the Irish peasantry, because to increase the capital value of the lands the landlords forced up rents to the highest limit possible.

Here was a capital defect in the economic vision of the question, as there was when certain philanthropic landlords divided their lands among the laborers, which leads to a continual quarrel; as there was in the manifold laws for internal colonization, all utterly useless; as there was in the acquisition of vast estates by a State aided bank, for subdivision, as is practised in Germany. This error lies in forgetfulness that it is not external pressure but internal forces of the social economy that must solve the problem, and it is subject to these forces that we have to act. It has as principle an ignoring



of how great estates (*latifundia*) come into existence; they are the dead parts of organizations which are deadly sick, the exterior signs of an interior evil, and their remedies must operate upon the living organism and act upon its vital and intimate portions.

How does the landlord enjoy an excessive share in the product? In virtue of the law of supply and demand. The farming population demands land. The landlords offer land. From the proportion of one to the other arises the price, the rent; this is the share of the landlord in the product. To decrease it one must act under this law and no matter whatever other roads one follows, even those which seem most natural and direct, they lead to trouble as we have seen in the Irish laws.

In the contention between the farmer who asks for land and the owner who offers land there is an essential vice; the farming population cannot wait, their hunger drives them: the landlords can wait, their lands will increase in value by doing so; they are then in a most unequal position to make contracts. As the farmers cannot wait, they set up among themselves a secondary competition in anticipation for the use of the land; on their side the landlords set up by the similarity of their interests a tacit solidarity that unifies the proportionate share taken in rent. The struggle could not be more unequal, more unjust, and has for effect the degradation of the condition of the farmer, his reduction to misery, to the minimum necessary for bare existence, and the absorption by the proprietor of all the rest of the available product. This is the result of the rule of private property in land. And it may be demonstrated that the wretched condition of the cultivator is the consequence of the power that the landlord retains, to diminish the amount of lands offered, withdrawing them from economic circulation, by the sight of the great amount of land which remains idle alongside of thousands of farmers who are evidently half starved.

The law of supply and demand of land is then vitiated: the offer is voluntary, at the option of the landlord; but not the demand, for the farmer is driven by hunger. While this inequality exists, it will appear also in the proportionate share of product taken by the landlord and the farmer; when the inequality shall disappear, it will disappear also in the sharing, increasing that of the farmer and decreasing that of the landlord, which is what we have to look for.

How can the State influence this abnormality in the supply and demand for land, reestablish equality, and restore to economic laws their free course that they may themselves solve the problem, modifying the land system and reinvigorate a debilitated nation? Very simply: by means of a tax, modifying by this only the basis of the present territorial contribution. This now falls only on the product; and the power which the landlord has to restrict the offer of lands permits him to throw this as well as all the other charges onto the unhappy farmer who pays them indirectly or in the rent. Laying the burden of the territorial contribution on the "productive capacity" of

the land, found infallibly in the value for sale, the tribute falls on lands whether cultivated or not; the landlord would see thus his faculty diminished to restrict the offer of lands, living on the share of those in use while having also to pay the tax on those held idle; these would consequently come on the market, augmenting the amount offered. If the farmer by force of hunger sees himself obliged to ask for land, the landlord by force of his tax would see himself obliged to ask for farmers; the struggle becomes less unfair, those with rent contracts lessen their rents or improve their conditions; the farmer retains more and in consequence accumulates capital; he perfects his methods of farming to increase his returns; he ends at last by acquiring the property of the land he works, divides the great hereditary estates, and breaking up the latifundia repopulates the countryside.

This modest alteration in taxation makes an end of overvaluation of land artificially procured by the landlord, as being the warranty for a higher rent; the decrease in the value of land or rather in the possibility to obtain for land a high monopoly rent will be a death blow to the custom which maintains the latifundia and absenteeism on the one side while forcing emigration upon the other. A sane agrarian economic system would extirpate the cancer that is destroying agriculture; lessening the taxes on cultivated property, because that now idle will share the onus that the other now bears exclusively; remunerating more justly the labor and capital employed in cultivation, and so increasing production; giving in a word new receipts to the treasury, a greater population to the country side, a fruitful market for industries and new sap and vigor in the body and spirit of the nation.

May it seem incredible that such a slight modification of a taxation law should produce such extraordinary social consequences? Without contradiction the sweep of economic forces unloosed by the single reform of the land tax is too clear not to be immediately perceived by anyone understanding by means of logic the effects which may seem marvellous. At the outset of the reform the difference between the present tax and that proposed is very slight; this difference widens rapidly by means of the consequences of this modification as time develops them; as when two trains leave a station at once the rails are but little separated—but mark where these two trains have moved off how they take those who travel by them from one site, these to the North and those to the South. Very modest is the seed from which springs what shall be a mighty tree—how marvellous is the transformation! Not greater is it that a reform in taxation should conduce to a transformation in collective economy. The realization of this change has guided the Budget land taxes, soul and bond of British Liberalism; and without more than containing the principle, without the complete doctrine (a tax direct and in proportion to land value), without other novelty, without reforms of more substance and scope, it is yet said of it with justice that it amounts to a social revolution: that which two years ago was a prophecy facts are swiftly converting into a reality.