

secure for the public a part at least of this increase of value. If this policy proves to have no bad effects upon the industries concerned, it may be extended to others and the same test applied. It is not easy to see why the right to occupy the space along the streets of a city, which must inevitably become more valuable as the population of the city increases, may not wisely be dealt with in the same way as the right to run cars through the streets or to lay gas mains along them. At any rate, the nature of the rent of agricultural lands, or of mines of the precious metals, affords us no aid whatever in determining whether it should be so dealt with or not.

COMMENTARY BY PROFESSOR WILLARD C. FISHER OF WESLEYAN UNIVERSITY.

For the most part, I should accept Mr. Bullock's statements as to the nature of ground rent. Indeed, it is probably true that we differ in no important particular. Only at some few points should I be inclined to modify or develop what he has said.

It might, perhaps, even be worth while to make formal note of the truth that rent comes not alone from "natural agents of production," but from any unproduced or nature-given good, whether it be used productively or in unproductive consumption. But with this much once expressly understood, it may be more convenient to discuss the rents as if they arose only from agents of production.

If there is one part of the topic in which Mr. Bullock's exposition really needs a closer statement than he has had time to give, I should say that it is, after all, in the direct, formal definition of rent. Rent is not exactly the income from nature-given agents of production, or payment for the use of such agents, for it does not arise from all such agents. Rent is, rather, income from natural agents superior to the poorest which are actually forced into use in order to meet the demand of the market; or, more briefly, it is income from superiority of indestructible natural agents.

And in this alternative form of statement it appears more clearly why the adverse criticisms of the classical theory of rent are, after all, of only minor importance. It is, no doubt, true that "land" can be produced." It is true that by filling and blasting building sites may be prepared; as it is true that by clearing and draining farm lands may be made ready for tillage. But it is also true, as Mr. Bullock has pointed out, that such additions to the supply of land are, comparatively, very small indeed. And, in my view, far more pertinent for the defense of the Ricardian theory is the obvious truth that superior land is not so produced; indeed, I think we may say that, in the nature of the case, it cannot be produced thus, at least in amounts large enough to affect the classical theory. When land is thus "produced," we must start either with or without an original, unproduced value in the area under treatment. If we assume an original, nature-given value, to which the capital used in the "production" of the land merely adds more value, the case of the Ricardians is won, or rather it is conceded at the start. And, on the other hand, if there be no original value in the area, capital will, under competition at once free and intelligent, work itself into the area just as rapidly and just as far as the yield from the new land can be made to equal the yield from the poorest of the lands already in use. In the technical phraseology of our discussion, produced lands regularly appear first upon the margin of cultivation, and only as the margin moves out, do they yield a true rent. They may, to be sure, after they are once successfully produced, yield a return greater than the amount of normal interest upon the capital used in producing them, but not, as I think, a return greater than is

properly to be accounted for by a reference to the capital and the labors, hardships, and risks of the production.

No reference, therefore, to the phenomena of "produced" land can affect the truth that there are differences in the productivity of the lands of various sorts upon which society depends. And it is upon this great and simple truth—obvious enough, too, in the facts of every-day life—that the whole Ricardian theory depends.

The narrow limits which have been so properly set upon our time by the Single Tax League, and which I have already transgressed, has made it necessary for me to take for granted a great deal in my statements. I assume, what we always assume in economic discussion, the possibility of miscalculations, the occasional, perhaps the frequent operation of other than the narrowest economic motives, the possibility of temporary reactions from the normal tendency of forces, and the possibility of a great many other things. Moreover, I have expressed myself very briefly, even elliptically. But all that will be understood here; and here a speaker is as certain as anywhere to be interpreted reasonably, even charitably.

COMMENTARY BY DR. C. W. MIXTER, HARVARD UNIVERSITY.

GROUND RENT—HOW MUCH IS THERE OF IT?

Men form instruments from materials with which they control the forces of nature to the end of supplying their wants. For example, agricultural land is one of the materials necessary for the formation of a farm, and, through that, the attainment of food. In other words, all production is instrumental, and land being a material doesn't produce anything. Man and the instrument (capital) produce all wealth. Under the existing high development of successive division of employments, moreover, each individual producer is commonly under the necessity of marketing his product. Those who produce and market in any industry, (the marketing being a continuation of the process of production), are again divided into economic classes receiving profits proper, interest, and wages, according to the nature of the part they play. But this does not exhaust the list of classes of participants and sorts of income. There are those who own the means of access to materials for the purpose of forming instruments, and those who own means of access to society—to the general concourse of people—for the purpose of marketing products; and both these sorts of owners receive, according to the classic theory, when their "means of access" is superior to the marginal means in competition, an income called the rent of land (or ground rent) for simply allowing others to enter into possession and use of their property. The typical bonus paid to landlords for access to materials is agricultural rent; and the typical bonus paid for access to society, is situation rent in the trade centre of a city. In short, according to the received concept, the rent of land is a matter of distribution on the basis of legal institutions, not a matter of production on the basis of the economic nature of things. The landlord, as such, whether simply owner, or owner and occupier, it is held, participates in the sharing of wealth, but not in the creation of it. Therefore, though expressing myself differently, I am at one with Professor Bullock in his statement of the nature of rent.

Now let us pass to the discussion of its quantity.

If we had what may be called a "static" world, that is, a state of society in which population increased and capital increased, but there was no advance of the arts, no new ways of doing business, and consequently, the economic corpus grew simply, as a pile of brick grows through the addi-