nor to multiple cropping as practiced in China. Nor do we refer to the obvious fact that with every advance in the methods of utilizing land (improved cultivation, improved building) each unit of area serves more people or serves the same people better. These forms of actual or possible surface increase are more important than Dr. Bullock would have us believe; but it is not necessary to consider them in our analysis of the supply.

What we mean is this, that "land capital" is produced or fashioned by human labor out of land surface (and other things which nature affords) just in the same manner as other forms of capital are produced by human labor out of other materials nature affords. Land surface as such never enters the economic realm at all, never becomes wealth, nor yields an income, until appropriated and usually not until still further transformed by labor, drained, graded, fenced, artificially fertilized, etc.; and when the labor of maintaining possession ceases—or, in other words, when a farm, a building lot or a mine, is "abandoned"—it ceases to be wealth or capital and becomes once more mere land surface. The same thing is equally true of a lump of iron ore made into a tool. To paraphrase Dr. Bullock's statement concerning capital, if the sacrifices incurred in keeping land in the market are not suitably rewarded it will be withdrawn.

Dr. Bullock seems to us to identify, in this connection, a geographical conception with an economic one, land surface with land supply. Let us admit that the land surface of the earth may be but slightly increased; what then? The supply of land in the market is not thereby limited, at least not yet, nor will it be, so far as we can foresee, for some years to come. Is the time honored distinction between stock or store on hand and economic supply to be ignored for land and enforced for all other forms of capital? When has the fact that ten generations, or even one, hence, the stock of something now on earth may be exhausted, or entirely appropriated (whalebone, certain woods, coal, etc.) ever affected the value of any such commodity, or restrained men of any generation from using their present stock as freely as the cost of getting it in the market would permit? When the entire stock becomes supply, then, if ever, and not until then, will the geographical limitation of land have an economic significance.

Possibly the labor cost of keeping up the supply of land, once it is in the market, is slight as compared with that of keeping up some other forms of capital, but the difference is one of degree, not of kind. Possibly the extent to which the original qualities of the materials enter into the utility of a piece of appropriated, improved and used land is great, and the extent to which labor adds to those utilities is small by comparison, and possibly the reverse is true of other capital in certain forms. This, too, is all a question of degree and not of kind, and certainly does not permit us to say that "land is not a product of human labor," while capital is.

"Cost of production" rules here as elsewhere. Some pieces of land have qualities which can be duplicated in other pieces out of the present stock as readily as any tool; others, again, like some tools, have qualities that cannot be duplicated. Lucky is the owner of such a piece of land, and so is the owner of such a tool; both are the recipients of economic rent as well as of interest, and they should, perhaps, be willing to pay taxes in proportion to their exceptional good fortune.

COMMENTARY BY PROFESSOR F. S. BALDWIN, BOSTON UNIVERSITY.

The main purpose of this discussion, I take it, is to secure from the participants expressions of agreement or disagreement with the statement of the value of economic rent formulated in Professor Bullock's introductory paper.

Indeed, the time at the disposal of each critic is hardly sufficient to permit much more than a mere word of assent or dissent. Personally I find that Professor Bullock has made my task an easy one. I am prepared to file a simple "me, too." I might voice my approval of his position in the words of the comment made by the late Henry Dunning McLeod in his "History of Economics," upon the work of a certain American economist: "Professor ——— is in agreement with me on all points with the exception of a few trifling dissidences. His work is an excellent outline of economics." Although I should wish to amend and qualify Professor Bullock's exposition in some points of minor detail, I agree with his main proposition that there is a vital distinction between land and capital, and a wide difference between rent and interest.

So far as the function of land and of capital in production is concerned, the two instruments seem to me to play essentially the same role. They are both passive elements, employed by man in creating utilities. They contribute to the total product in identical fashion. There is nothing magical and unusual about the share of land in the productive process, as compared with that of capital. But in the distributive process the return accruing to the landholder is governed by a law radically different from that which determines the earnings of the capitalist. The fact that land is limited in supply confers upon its owner the power to command a differential return in the form of ground rent. There is nothing analogous to this in the case of capital. The law of rent holds not only of land employed in agriculture, but also of land used for manufacturing and mercantile purposes; it applies universally throughout the industrial world.

The attempt of certain writers to refine away this traditional distinction between land and capital, rent and interest, impresses me as a subtle obscuration of plain facts. Professor Plehn's defense of the new theory is ingenious, but not convincing. He admits that for times and places where the laws and customs in relation to property in land were different from those in regard to property in other things, a distinction might properly be drawn between ground rent and other forms of interest, but beholds that in a country like the United States, where property in land is on the same legal footing as property in other forms of wealth, this distinction no longer holds. But the distinction in question does not rest, as Professor Plehn represents, upon laws and customs in relation to property. Land and other forms of wealth held the same position in respect to property laws and customs in England when Ricardo first formulated the economic law of rent which they hold to-day in this country. The distinction rests in fact upon the manifest difference in conditions of supply between land and capital; and that difference is as real to-day as it has ever been. Again, Professor Plehn argues that the fact that land surface is geographically limited has nothing to do with the economic supply of land in the market. The economic supply of land, he contends, is not on this account limited, any more than the supply of other forms of capital may be; land capital is produced or fashioned by human labor out of land surface, and other things which nature affords, just in the same manner as other forms of capital are produced out of other materials nature affords. In this specious argument Professor Plehn jumps lightly over the inconvenient fact that the economic supply of "land capital"—to use his terminology—is at all times and in all places inseparably bound up with the geographical supply of land surface, which is unalterably fixed in quantity. It is this concrete condition and not any speculative theory resting on temporal and local circumstances of law and custom which confronts Professor Plehn and his fellow critics of the classical doctrine of rent. And until the plain fact of the limited supply of land can be conjured away, that doctrine, as set forth to-night in Professor Bullock's paper, will still hold possession of the field.