

THE RISE OF ECONOMIC RENT AS EXPLAINED BY A SOUTH AMERICAN ECONOMIST IN 1882.

"In order to demonstrate the nature of Rent, and the existence of an increment land value independent of the individual capital and labor applied by the proprietors, let us take the case of a lot of land untouched by human labor, but situated in the center or neighborhood of a town which is prospering by its industrial and commercial activity. This neglected piece of land has an increased and increasing value. Who gave it? Capital? Individual labor? No. No individual capital, no individual labor, has contributed to this value. It has increased and is increasing by the social labor and progress of the locality in which it is situated.

"Another lot of land, of equal extent and identical conditions, situated where the benefits of social activity do not reach it, will have a scanty and stationary value.

"It is, therefore, evident that that increased and increasing value is a social creation. To it have contributed all the social elements: in high spheres, the politician and the man of learning; the magistrate who, by distributing justice, guarantees civil rights; the soldier who guards order and public and private security; the merchant who provides for the incoming and outgoing of goods; the manufacturer who maintains labor and adds value to prime materials; the laborer who hires his strength and skill; indeed, all those who consume, including the old man already useless and ready to quit this life; and the child just entering upon it.

"The fall of the tyrant, Rosas, which re-established the inviolability of natural and social rights, which opened the River Plate and its great confluents to universal trade and all the currents of immigration, to men, to science, to capital, quintupled in a short time the value and the rent of the land of Buenos Aires.

"Many of the large landowners, far from having contributed to the work of liberation, had been hostile to it, lending their material or moral support to the system that depreciated the value of the land. And yet, without expending a single dollar, nor the labor of one day, they found their fortune quintupled. Nothing peculiarly theirs, nor anything that legitimately corresponds to them, had part in this increase of value. It was produced by the effort, the abnegation, the sweat and blood of two generations of fighters and martyrs.

"Soon we are going to have another illustration of this economic law.

"The construction of the Capital of the Province of Buenos Aires, the improvement of the Port of the Ensenada, are going to increase the value of the adjoining land. By what right do the owners of that land appropriate the said increase? Legitimately, it belongs to the social capital and labor that produce it.

"The leasehold system of Rivadavia gave to each his own: to the individual, what his capital and labor produce; to society, that which it produces."—(Extract from "The Land Legislation of Bernardino Rivadavia," by Dr. Andres Lamas, 1882, Buenos Aires.)

"At the bottom of all the fearful problems that cause unrest in European society and produce the irrationalities of communism and socialism, we find the land question; and this is recognized by the very science that has misled us and which, in defense of the existing social order, strives to justify the private appropriation of land, the ancient basis upon which that order stands."—(Dr. Andres Lamas, in his "The Land Legislation of Bernardino Rivadavia," pub. Buenos Aires, 1882.)

"The land question perturbed the Roman world, as in our day it vexes and perturbs the European nations; and these perturbations arise from an organic defect, the cause of which lay then, as it does now, in the individual appropriation of the land.

"To organize on this basis, is to condemn ourselves to the same evils and to the same perturbations, making difficult for this continent, which we call new, perhaps because it is the last to incorporate itself with the actual civilization, the mission that naturally corresponded to it in the progress and continuous improvement of humanity.

"The Argentine land legislation eliminated the morbid cause that infected the organism of European society.

"With the suppression of the individual appropriation of land, the feudal germ inherent to it was also extirpated; and with the substitution of the various and unequal taxes which now exist, by the rent of the land, which was to be the only revenue of the State, the barriers to the development of industry would be broken down."

"Extirpated the feudal germ and broken down these barriers, there remained only the natural inequalities. These, far from being an evil, produce, by a diversity of altitudes, that diversity of services which social organization and progress demand.

"In this form and by these means, the land legislation of Rivadavia contained the most radical and beneficent social innovation of our century...

"To effect and consolidate such a great revolution would have meant transferring to America the ideal of social perfection.

"I say this with absolute and intimate conviction, after having studied at great length and detail the perfected leasehold system of Rivadavia, under all its aspects, in all its relations and in view of all its consequences."—(Dr. Andres Lamas, in his "The Land Legislation of Bernardino Rivadavia," pub. Buenos Aires, 1882.)