

sell only for the same money that the two did before, on the aggregate they are not richer, but he who has the two bushels gains 6s. 8d. out of his neighbour's income. The wheat sells for 13s. 4d. per bushel, and the one is 6s. 8d. richer, and the other 6s. 8d. poorer by the increased supply. The condition of the consumer is, however, improved fifty per cent. in the quantity of provisions which his money will command.

The present agricultural distress has been attributed to over production, while, at the same time, in part of its progress at least, it has been accompanied by a diminished demand for labour. This circumstance alone proves it could not have proceeded from that cause. Although the increased foreign demand for commodities has of late partly relieved the labouring classes from the depression under which they in the first instance suffered, yet still a reduced demand for labour is the subject of complaint. A general distress, in fact, such as the present, from over production, could never happen. In the case just supposed, where one party loses, another gains. But now there is a universal loss. It began, not by increasing the comforts of the poor, but by starving them in the midst of plenty, and ends in the ruin of the agriculturists, with a consumption greater than the annual supply. That such are not the effects of over production, may be very safely assumed.

CHAPTER XIII.

The Soil is the original Source of Wealth.

If we admit the conclusions at which we attempted to arrive in the last two chapters, they will go far to establish the proposition which forms the title of this.

Experience of itself, however, establishes it. Where was there ever a rich country with a barren soil? Gold is valuable, but only in fertile districts, where it will exchange for labour, or commodities more useful. It is worth nothing in a desolate country.

Labour and art are necessary to wealth; and gold, the produce of labour and art, in general forms part of it. But it possesses no inherent value. Its value is entirely an exchangeable one; an alteration of fashion or opinion might reduce it below that of iron.

The produce of the soil, on the contrary, possesses an inherent value—a value derived from itself. It produces men, and men produce gold. It creates its own demand, which gold does not. Gold, no doubt, possesses intrinsic value. As a commodity, it is actually

worth the value it represents; which is not the case with Bank paper, though it answers the same purpose, and is, where it circulates, as valuable to those who possess it. But the value of gold is not self derived. It is an exchangeable value, and therefore, dependant upon a demand, the result, not of necessity, but of fashion and convenience. It will, perhaps, not be an inappropriate distinction to say, that gold possesses an intrinsic, but not an inherent value; whereas the produce of the soil possesses both. If the soil was a hundred times more productive, it would be a hundred times more valuable to the proprietors; it would support a hundred times the population, and command a hundred times the labour, and commodities, the produce of labour, which it did before. If gold mines were a hundred times more productive, gold would possess a hundred times less value in exchange; and, as it is not probable that the demand would increase in proportion, the mines would be probably much less profitable to the proprietors than they are at present.

Wealth may be said to resolve itself into the produce of the soil, labour, and commodities the produce of both.

Horses, dogs, and animals of every description, which contribute to the luxuries, and form part of the wealth of society, receive their sustenance exclusively from, and are in fact the

produce of the soil. All persons who maintain them, must either possess land, or acquire sufficient of its produce for that purpose.

On the same principle, labour is also the produce of the soil, which furnishes the necessaries of life for its support. The necessaries of life consist not only of food, but of cloathing, and other articles which are composed of materials, or pre-existing materials and labour. Now, materials are the produce of the soil, and pre-existing materials are the produce of labour, which is derived from the soil, so that ultimately the wages of labour entirely resolve themselves into the produce of the soil. If you purchase the entire labour of one man, you must pay him in the produce of the soil, or in that which will command it, sufficient perhaps for the support of two. One half he consumes himself, and with the other half purchases such other necessaries, the produce of the labour of others, as he requires. The last half, though distributed in the purchase, in more or less minute proportions, of the labour of probably a hundred others, united, will perhaps, amount only to the labour of one; and for the sake of illustration, we may suppose he employs only one individual. One man, therefore, by his labour, may acquire, as we have stated, possession of the produce of the soil, material, and victual, equal to the support of two, which he

divides with another, who, by his labour, manufactures the cloathing, and furnishes the other necessaries required by both.

Besides labour, the cost of all commodities is more or less composed of profits of capital, taxes, &c. and with pre-existing materials, not only of profits of capital and taxes, but profits which are termed rents. The value, however, which they thus acquire, may be considered artificial, and only a mode, as we shall endeavour to explain in the next chapter, by which the original income derived from the soil is distributed amongst the class of persons who receive these profits, and paid to government, by whom the taxes are levied.

CHAPTER XIV.

Cost of Commodities in Profits of Capital.

A GREAT part of the value of all manufactured commodities, consists in the profits of capital, employed in manufacturing, and transferring them from the original producer, into the hands of those who finally consume them. Though this cost, for the sake of distinction, may be called artificial; yet, by this employment of capital, the powers of labour are magnified, the facilities of transportation increased, and the price of such commodities reduced in a very extraordinary degree. Capitalists in consequence, however, acquire a very considerable share in the income derived from the soil. We shall take the article of corn for example. A capital is employed in its production by the farmer; by the individual attention of whom, and the skilful application of which, the soil is rendered much more productive than it would otherwise have been. His average profits we shall state at 10 per cent. upon his capital. He sells his corn, we shall say, direct to the miller, whose profit, for the capital he has em-

ployed in his mill and trade, we shall state at $7\frac{1}{2}$ per cent. Next it is sold to the baker, who charges, say, 10 per cent. From him it comes into the hands of the manufacturing labourer, and is consumed, and the value of his labour is added to the material which he is employed in manufacturing. By this operation it preserves the same value, but changes its nature, and is now represented by labour, added to some material which it is employed in manufacturing, the value of which is increased by the labour added to it. For the machinery and capital employed in the various processes of manufacturing the commodity, of which the corn in the shape of labour, now forms a part, we shall say 25 per cent. The profit of the wholesale dealer we shall state at $7\frac{1}{2}$ per cent.; of the retailer at 15 per cent.; and it will stand thus:—

	£.	s.	d.
Capital - - - - -	100	0	0
Farmer's profit, 10 per cent. - - -	10	0	0
	110	0	0
Miller's $7\frac{1}{2}$ per cent. - - - - -	8	5	0
	118	5	0
Baker's 10 per cent. - - - - -	11	16	6
	130	1	6
Manufacturer's 25 per cent. - - -	32	10	4
	162	11	10
Carried forward, - - - - -			

	£.	s.	d.
Brought over, - - - - -	162	11	10
Wholesale dealer $7\frac{1}{2}$ per cent. - - -	12	3	10
	174	15	8
Retailer 15 per cent. - - - - -	26	4	3
	£200	19	11

By processes similar to this, some longer and some shorter, all commodities come into the hands of the original proprietors, or those who in some way acquire a share of the income derived from the soil, surcharged with the profits of capital employed in carrying them through the different channels of trade, often times fully equal to the value of the materials and labour which the commodities contain, and when profits are high, sometimes far exceeding it.

In this country most commodities, in the process of their manufacture, are subject to taxation, which enhances their price, by increasing their cost in the same manner. To the consumer, therefore, there is no difference between taxes and the profits of trade. The profits of trade are just as much a tax upon them, as the imposts of government. They equally enhance the cost of the commodity, and are equally paid by the purchasers of it.

The great amount of government imposts in this country, levied by taxing consumable com-

modities, sufficiently proves that they ultimately fall upon the only source of income which could bear them, the soil. This, in fact, as a general principle, is hardly disputed.

Those whose incomes are derived from trade, therefore, derive them from the soil also. In order to shew more clearly the manner in which this is done, we will suppose a case by way of example. We will imagine the soil to be represented by an income of £2000, the manufacturing labourers to be represented by 100 men, and the capitalists by ten, each of whom has ten of the hundred men under him. That the necessaries of life, independent of food, consist of ten different articles, the produce of labour alone, one of which each of these capitalists manufactures. We shall suppose one quarter of the income from the soil to be spent in victualling the families of the proprietors, supporting their establishments of horses, &c. or in that part of the hire of personal labour or services, which is consumed in provisions, and immediately returned to the proprietor in a demand for them; and the other £1,500 to be spent either by the proprietors themselves, or by those who receive their wages, or by such as in some way come into possession of a share of this income, in consumption of those articles which these manufacturers produce. We shall suppose that £1000 represents the pro-

visions necessary for the support of the 100 labourers, and the profits of the capitalists to be at least 100 per cent. That is, that their profits, or the artificial value of the commodities manufactured to be equal, or more than equal, to their value in the labour bestowed upon them.

In addition to this, we shall suppose that one third of these labourers were employed in administering to the wants of the other two-thirds; or in other words, that they consumed one-third of the produce of their own labour themselves. Each man would therefore receive for his wages, besides a sum equal to the purchase of provisions for himself and family, a sum sufficient to purchase that share in the ten different commodities manufactured, which he required. As this share would be charged to him with the profits of capital upon it, we shall suppose that it would take as much money to purchase it as to buy provisions. Hence his wages must be twice the sum his provisions cost him. This would make the wages of the whole in money £2000. Now we shall suppose that the commodities manufactured sold in the gross for £4,500, with the profits of capital upon them. The £1,500 income from the soil applied to their purchase, would therefore only command three-ninths of them; two-ninths would be consumed by the labourers,

and the other five-ninths would be the profit of the capitalists. They would unitedly have an income of £2,500, five hundred of which would be made in the commodities sold to the manufacturing labourers. Whatever share of income the capitalists received, they would directly or indirectly have to spend. The other £2000 of profit, therefore, would be made upon the commodities sold to the proprietor of the soil and to each other. This £2,500 would go in supporting themselves and families; in maintaining what is called unproductive labour, and in keeping horses, &c. Five hundred pounds of it would be spent in provisions, and the other two thousand in the consumption of the remaining produce of the manufacturing labourers. The consumption of the produce of the soil, and the labour of the 100 men would therefore stand as follows:—

PRODUCE OF THE SOIL.

	£.	s.	d.
Consumed directly or indirectly by the proprietors themselves	500	0	0
By the manufacturing labourers	1,000	0	0
Direct or indirectly by the capitalists	500	0	0
	£2,000	0	0

PRODUCE OF MANUFACTURING LABOUR.

	£.	s.	d.
Consumed by the labourers themselves	1,000	0	0
Directly or indirectly by the proprietors of the soil	1,500	0	0
Directly or indirectly by the capitalists	2,000	0	0
	£4,500	0	0

Thus the proprietors of the soil would comparatively enjoy the consumption of but a small part of the produce of manufacturing labour to which it would give rise; yet, nevertheless, its produce would be the foundation of the whole, and this accumulation of prices no more than the manner in which it and the labour it commanded were distributed by nature amongst the different orders of the community.

This case is a mere hypothesis for the sake of illustration. The produce of the soil consists of materials that are required to clothe and support labour, as well as food, of which every individual must either grow a portion himself, or if he does not, must, indirectly at least, exchange the produce of his estate, with either some home or foreign proprietor who does. This is generally effected through the medium of manufactured commodities. I have little doubt, however, that the proprietors of the soil get but a small part of its produce back,

in the labour which many of the commodities they purchase contain. Labour is now so economized, and machinery so much introduced in every branch of manufacture, that a great part of the cost of most commodities consists of the profits of capital. That part of the income of society which is gained by the capitalist in trade, is spent in the luxuries of life, and gives employment to what economists call unproductive labour, instead of manufacturing labour, which this employment of capital has superseded. Hence the quantity of unproductive labour in a country, is probably the best proof of its improvement and prosperity.

CHAPTER XV.

Rent.

THE rent of land consists of that part of its produce which is received by the landlord, after paying the expence of labour, materials, and profits of capital employed in its cultivation. The produce of the soil, as we have shewn, creates population, which multiplies with the increase of it. As the value of labour becomes less, the surplus produce of the soil becomes greater.

Rent from mines is also their surplus produce, after paying for the labour, materials, and profits of capital employed in working them. The principles, however, which govern the demand, by which rent from mines is created, are different from those which regulate the rent of land.

There is always a given demand for every commodity of necessary, luxury, or convenience, in use. This demand is regulated by its price. If a carriage could be had for six-pence, beggars would ride. It is only the high price of the luxury which confines it to comparatively so few.