

hope of a gradual rise to a better condition, and freedom from that ever-haunting anxiety about the future.

Is the picture too dark? It is dark truly, but not hopeless. Far from it. We have but to take one step further and the light breaks in abundantly.

ALL TRIBUTE ARISES FROM PRIVATE OWNERSHIP
OF LAND.

Private Rent (as distinguished from State Rent) arises from the fact that someone has got possession of a piece of land which he does not intend to use himself, but forbids anyone else to use, except on payment of tribute—payment not for service of any sort rendered; but for mere permission to use that portion of the earth's surface,¹ which payment he will either spend on his own enjoyment or invest for fresh tribute.

And Interest arises from private rent, thus: If I have £1,000 saved for my old age, then if it consists of the actual food, clothes, and other goods that I expect to want in my old age, it will cost me much in barns, cellars, burglar-proof safes, and other precautions, with the possibility that it may be destroyed or stolen, notwithstanding all my precautions, and the certainty that many of the goods will be spoilt by the time I require them.

It would pay me well to let some responsible person use these goods gratis, on the simple condition that he would give me back a like amount of goods at a specified date. It would even pay me to pay him to take them on these conditions.

¹ I am speaking, of course, of economic or ground rent only, not of that portion of so-called rent which represents a charge for improvements effected.

But, of course, the savings that represent provision for old age are never really made in this way, *viz.*, in stored-up goods.

If my £1,000 consist of coin, then it will certainly cost me less to store it, but still it will cost me something, and there is always the risk of robbery. Again, it would pay me well to let someone else use the money on mere security given that he would return it when wanted.

But if it consist, as in practice it always does, in a mere suspended claim for payment, then no doubt it would cost nothing to keep, but I CAN'T keep it. The essence of the deferred claim is that I don't receive my payment, but get, or allow, someone else to use it.

But there seems no reason why this other person should pay me for doing what is as much for my convenience as for his; and, in fact, he would not pay me anything but for this—

THAT SO LONG AS I CAN, WITH THIS £1,000, BUY LAND, WHICH WILL BRING ME TRIBUTE IN THE SHAPE OF RENT, I WILL LET NO ONE HAVE IT EXCEPT ON TRIBUTE IN INTEREST EQUAL TO WHAT I COULD GET IN RENT.

Here, then, is the origin of Interest.

If the land were nationalised, and land were consequently no longer available for private investment, borrower and lender would stand on equal terms, and there would be no reason why either should pay the other for what was a matter of mutual convenience.

Rent would then go to the State to be expended in public benefits instead of to a private landlord to be expended on himself, or saved and re-invested for further tribute, which is worse still.

Imagine all the millions now invested in land thrown upon the market for investment. Everyone with savings now wants someone to take care of them. For they must be taken care of somewhere and somehow. Goods can be stored up, but

only at cost and risk, and with the certainty of destruction to some, and deterioration to all. Coin also can be stored, but also only at some cost and risk. And as it fetches no interest when so stored, there is no object in storing it. All saving, then, practically comes round to the savings bank type of savings—to mere claims for payment suspended, by one person against another. And how and where can these claims be kept suspended?

Say that there is £1,000 coming to me, and that I want to save it, that is, to let the payment stand over somewhere. There are only two ways in which I can effect this: One is to refuse to accept the payment from the person who owes it, and to allow or to request him to let the amount stand over for a specified time; which means that the debtor may himself consume the goods or spend the money due to me on condition of producing fresh goods or earning fresh money for me to the amount required at the time appointed. But I shall of course want some security that he will really pay the debt at the time appointed, and suppose he can't, or won't, give that security. Then I must accept payment from him, and hunt about for some responsible person who will consume these goods, or spend this money, under the proposed conditions of repayment. But when it comes to hunting for a borrower, instead of being hunted by him, the days of interest are about over. Consider the position. Savings by the million set free, with no land available to invest them in, and therefore seeking a responsible caretaker, and in a hurry to find him; for till he is found, the saving remains either as an uncollected debt in the hands of a doubtful debtor, or as a bag of sovereigns hidden away privately and temptingly to the thief, or else as a deposit in a bank which pays nothing, but, on the contrary, charges for the custody (for, of course, it will pay nothing for the deposit when thousands are applying to deposit), and realise that the same cause (the nationalisation of the land that has closed

LAND OWNERSHIP, as distinguished from land USE, against investment) that has increased the eagerness to lend, has, at the same time, diminished the eagerness to borrow; for those who want to USE land—to build, to cultivate, to mine—can now get all the security of tenure they require by simply renting from the State, or from the Municipality. All the money that the intending user had to part with, as purchase money to GET the land, can now be kept to WORK it, and the worker can snap his fingers at the money-lender.

If such a revolution were effected suddenly, it would dislocate society, throw everything into confusion, and cause widespread suffering for the moment; but if accomplished gradually, by the State (or preferably by the local bodies) being empowered to acquire the land compulsorily, at fair compensation, bit by bit (to LET to the workers in restricted areas) wherever it was wanted and AS it was wanted, it would only produce a steady fall of interest as the field of investment narrowed, and the necessities of borrowers diminished, till interest sank to zero; and those with savings laid by, for the only legitimate purpose for which savings need be made (that is to provide against accident and for old age and to give one's children a fair start in life) might even offer payment to responsible persons to "hold" their savings for them; that is, pay the borrower for borrowing, but for this; that the State, which represents the best security of all, could always find use for the money in setting all the unemployed to construct public works and render useful public services of all kinds. The State would never either be called upon to return what it received, for each lender who wanted to realise his deposit could do so by simply transferring his title to deposit to someone else who wanted to come in, as is now done with Consols; so, the land once nationalised, the State would get the benefit of the national savings and capital would have nationalised itself.