

Correspondence

NATURAL-LAW CONTROL OF INTEREST

EDITOR LAND AND FREEDOM:

Mr. Quinby's "Fundamentals of Interest" (Jan.-Feb.) properly condemns any effort to control interest. The law of supply and demand must do it naturally, regardless of futile beliefs, and all Single Taxers agree that any man-made laws about it must be worse than useless.

But they also agree that rent-yield from land investments (about one-half of all) is unnatural, and that it will be *cut off* by Single Tax: That this result is certain; and that when this field is cut off *only business investments will remain*.

(1) Is it honest or sensible to ignore *these certain results* of Single Tax?

Whether or not universal prosperity will increase "savings for safety" it is certain that users of capital will not have to compete for it *against the land-owning lure*. (Does any Single Taxer question the truth of Mr. Thompson's statement,—just above Mr. Quinby's article,—that "so long as wealth can purchase land that will yield a revenue just so long will man refuse to loan wealth without demanding a similar return?"

(2) Is not *the direct effect* of present rent yield on yields generally, obvious and important enough to call for honest recognition by Single Taxers?

Everybody knows that nature furnishes special help in the producing of pigs, wheat, honey, etc. - Nearly everybody knows that these are unlimitedly producible just as machine products are; and that their lowered prices similarly benefit all consumers—not the owners in particular.

(3) Must Single Taxers discredit their cause as well as their own intelligence and honesty, by not knowing or not admitting this *natural general distribution* of these gifts of nature?

Unless we honestly answer these questions we hurt our cause as well as our own repute.

Reading, Pa. WALTER G. STEWART.

MR. QUINBY REPLIES TO THE FOREGOING

EDITOR LAND AND FREEDOM:

If, properly, I interpret the comments of Mr. W. G. Stewart, it appears to me that I had covered the essential points of his kindly "criticism" in my article under discussion. Yet, he is entitled at least to some elucidation of what I said, in the event that my statements were not sufficiently clear.

In all research based upon scientific principles, there should be a clear and definite understanding in the use of terms. Henry George was always definite in making this truth paramount. It seems to me that never could there be any reason for differences of opinion with respect to any truth, if they who expound it used the same language. For instance, would not a universal language go far to promote universal peace?

Mr. Stewart says we agree "that rent-yield from land investments (about one-half of all) is unnatural." Is he not here falling into the error of some "professors of economics" of confusing rent and interest? If he means "rent" as including payment for the use of land and the improvements upon it, he is. If he uses the term "rent" in the same sense as did Henry George, that is, payment for the use of land alone (unimproved), then I do not comprehend his meaning "about one-half." One hundred per cent of it is "unnatural," if by the latter term he means that it is unnatural for any individual to appropriate it to his personal advantage. But rent *is*—when we understand it as compensation for the use of land. It is not "unnatural," but strictly natural viewed from the standpoint of natural law. It arises solely and naturally from the demand of mankind for the use of land,

from which not one individual of us may escape, so long as we ming with our fellows. It will do this despite the fact of whether it "owned" by one or by many. That fact forms the sole basis for claim that "The rent of land belongs to the people." If the fact is true, our claim is just—having its foundation in natural justice. "Rent" which is paid for the use of both land and improvements two-fold, which obliges one discussing the scientific principle of it to distinguish between compensation for the land or site itself and the improvements upon it. That for the land properly is rent. The part for improvements is interest or wages. If the improvements have been made through the employment of labor of others, the return (yield) is interest. If it is for improvements performed by the "owner" himself, it is wages.

(Parenthetically, who of us has not heard the shallow socialist statement, "Socialism includes the government ownership of land. As if that fact would alter or annihilate the natural law of rent. Land and its value are two different things. One is a natural "product" of the soil. The other is truly the product of human association and social action. The individual necessity of toil and enterprise. If only F. D. R. could grasp this simple truth, it would save him from some of the blunders of his methods.)

Quoting Mr. Thompson's article, Mr. Stewart asks if the followers of Henry George will dispute the statement "so long as wealth can be purchased land that will yield a revenue, just so long will man refuse to loan wealth without demanding a similar return." Of course not, but does that imply the converse? Does it mean that after government appropriates rent, men will lend "wealth" "without demanding a similar return?" Perhaps it might be so, but that will be when men work without wages and lend without interest.

As a general rule men do not lend "wealth"—except as wealth may be estimated as capital. They do not lend wealth at all in making a loan of money, for the simple reason that money is not wealth, but merely a representative of wealth. No sane person borrows money simply for the sake of having it. He converts it at once into wealth in the form of food, clothing or shelter, or into capital for some business enterprise. The reason for the fact that wages and interest rise and fall together is that both are essential to the production of wealth. It is not wealth that earns interest, but capital. Neither labor nor capital can be employed without the aid of the other. Demand for one involves demand for the other. Wages compensate labor. Interest compensates capital.

Regarding question No. 2, I agree that rent does and always will affect the returns (yield) of products generally. For regardless of what power collects it, it must come out of the production of wealth and only they who produce the wealth will pay it. But the difference between the social appropriation of rent and its private collection, as now, is, that what is paid will go as recompense for the services which government, as representative or agent of the social compact, shall render, instead of into private coffers of persons living upon the sweat and blood of mankind. And that would be "social difference!"

With reference to the natural increase in raising "pigs, wheat, honey, etc.," there is indeed a "special help" on the part of nature. That is, the natural laws of growth or increase do aid labor, but let us not forget that it is labor alone which is the beneficiary (or should be) of this "special help." In domestic affairs, the calf does not develop into a cow, except through the toil of man, nor does the juice of grapes become wine except through the same means employed in various ways. To the laborer, in these as in all cases, belongs the fruit of the toil.

Los Angeles, California.

LAURIE J. QUINBY

SLAVERY OR FREEDOM

EDITOR LAND AND FREEDOM:

As you probably know, I have been interested in Single Tax for more than thirty years, and feel like perhaps many others that

endency is away from liberty and toward restriction, and that the real issue before the people is slavery or freedom. The real reason why so-called capitalists refuse to become interested in Single Tax is that they realize to some extent, at least, the present system is dependent entirely upon an abundant supply of cheap labor.

Single Tax, we believe, would free labor, and continuance of employment under existing conditions would be impossible. The laboring people considered as a whole do not realize what causes their present situation and vainly strive to bring about some improvement through organization. The capitalists, on the other hand, realize to free the worker would bring about a change in our present set up.

The real issue must eventually be faced. Are we going to continue the system which depends on slavery or are we going to free the laborer and bring about a complete change in our present system.

The present system received its big impetus when the tenures in England were abolished in the twelfth year of the reign of Charles II. Had the burden on land not been removed the system as we know it would not have developed.

Troito, Michigan.

HENRY C. L. FORLER.

A CHANCE FOR WIDE SPREAD PROPAGANDA

EDITOR LAND AND FREEDOM:

Congressman Eekert's speech on "The Wagner Bill, Land and Labor," is an excellent and readable presentation of the Henry George plan; it will attract the attention of both the supporters and the opponents of the Wagner Bill and will offend neither of them.

Copies can be had from Congressman Charles R. Eekert of Pennsylvania for distribution franked for postage. It may be ordered and used to advantage by anyone.

Some fifteen thousand copies have already been circulated among every George people and prospects. If desired by the thousands, the cost of printing would be required, which is about four dollars a thousand.

BOLTON HALL.

A SUGGESTION

EDITOR LAND AND FREEDOM:

It is my constant wish that your splendid editorials in LAND AND FREEDOM might have a wider circulation. It is ridiculous to observe enormous circulation that is given to so much that is trash. What do you think of *The Freeman*? I am hoping that it will do the work that the old *Standard* did so well, and that *The Public* did so very well in a little different way. I have often thought that we might arrange two or more pages in some weekly journal of wide circulation like *Liberator's* or *Liberty*, provided of course that we could get the right man to provide just the right copy for it and that we could get enough subscriptions from our own people and their friends to justify that. I used to suggest this to Louis Post in the old days.

Wichita, Kansas.

HENRY WARE ALLEN.

A PLEA FOR TOLERATION

EDITOR LAND AND FREEDOM:

I must confess to a growing irritation at the constant quibbling amongst ourselves over non-essentials. In your January-February issue Alan Thompson is at it again with more than insinuation that Beckwith is neither an economist nor a scientist, and all because the two do not happen to agree upon Beckwith's mannerisms—if they may be called—the *casus belli* just now being their disagreement upon the matter of interest.

To my mind, the philosophy of Henry George is clear and explicit in every economic question necessary to the establishment of justice in our social order. Rent is always, and everywhere a social issue, hence should be collected by society, not turned over to every man (or unlucky) Tom, Dick or Harry for their private exploitation. The collection by society would immediately open the resources of

nature to all upon equal terms; would force unused, rent bearing land into use and uneconomically used land into its full economic use. And I'm pretty sure that both Beckwith and Thompson will give 100 per cent assent to this statement.

The vast majority of men I meet do not care enough about anything to save their own supposed self interest even to give any economic question a thought; why, then, attempt to interest them in a subtlety which has no more bearing upon the truth we all agree upon than the phases of the moon upon the movements of Jupiter? And if one who has been convinced of this truth can be deterred from its espousal by any doubt of George's correctness or incorrectness upon the cause of interest or his espousal of the Ricardian theory of rent he is not worth a damn to this or any other cause involving the fundamentals of social life.

Just exactly what is the difference whether one sides with Thompson or with Beckwith in this matter? If, as Thompson declares, "interest will disappear when economic rent is collected in lieu of all taxes," why, presto, it will do so, no matter which is right; and does he suspect that Beckwith is any less devoted to such collection of rent than himself? Then why all the pother? And since it is pretty difficult for anyone to follow any other method of propaganda than that which seems to him most effective, let us be just a trifle tolerant of the other fellow's method. Long before our common goal has been reached both these valiant protagonists of this truth will have taken his abode in "the narrow house," so vindication of the contention of either will have scarcely an academic interest for either disputant.

Remember the two yokels who were dragging their cart across the marsh and got it mired in the mud; one declared for a hickory lever to get it out, but the other would have nothing but oak, and while they disputed, the cart sank so deeply that it could not be retrieved.

In my estimation Mr. Beckwith is one of the most valuable advocates of the Georgeian truth we have, and Mr. Thompson is another. Let us direct our attack against the enemy, not wrangle amongst ourselves. But let us not forget that *homo sapiens* has not been out of the trees long enough to have progressed far toward the human life.

Marathon, Iowa.

T. J. KELLEY, M. D.

THE GOSPEL OF PLENTY

EDITOR LAND AND FREEDOM:

You put it strongly and, I believe, most truly: "Poverty is the foe of all social advance, of spiritual and intellectual as well as material progress." I suppose you include not only poverty itself but the fear of poverty and the myriad superstitions that are born of fear.

Your hope, you say, is in the young. You are a younger product of my own era—I am eighty years old. I think both you and I have the right to hope that the new spirit that manifests itself is a spirit of peace and makes converts and apostles of us all.

I agree with you most enthusiastically: "In the philosophy of freedom is the germ of a new renaissance."

Our civilization has brought into play greater freedom than ever was known in the world before. This freedom has led to the plenty which Henry George was the first to declare and prove, and which has forced itself upon attention of observers and thinkers everywhere.

Evidently referring to the followers of Henry George, you say: "Ours is a tremendous responsibility." Once more, I very heartily agree. But I think we do not discharge that responsibility by any of the methods we have adopted. I approve of all methods that are in line with the Henry George philosophy, but I think we have made a big mistake in not beginning where George began. When he announced in the very first words of "Progress and Poverty," that the age of plenty had begun, he flatly contradicted the thought of his time. But today the belief in plenty is universal. But the world's self-appointed spokesman dare not follow the plain road that George marked out leading to the abolition of poverty.