

Governor of New Jersey at the primaries held Sept. 23. It is a Single Tax argument. The keynote is struck in this statement: "The power to hold land and not use it is the greatest single evil in our industrial system."

A debate between Messrs. Osborne and Colby on the Single Tax took place in Newark Thursday, Sept. 11. Geo. L. Record acted as chairman. We say the Single Tax, though other issues were touched upon. Mr. Osborne showed that he stood for our principles, and made it clear that he comprehends the significance of the movement. As Mr. Colby is also in favor of the gradual reduction of the tax on buildings, and a heavier tax on land values, though he nevertheless seems to think that there is a land value that is created by the owner which should not be taxed, it is clear that Mr. Colby has only a little more to learn to take his place beside Mr. Osborne.

ERRORS OF THE INTEREST SYMPOSIUM.

(For the Review.)

By C. F. HUNT.

S. Tideman, in the July-August REVIEW, has the cart before the horse: "Then the money will be applied, or loaned, for industrial purposes, only at the same rate of interest that it will yield without work on the part of the owner, if he invests it in land. Interest is secondary (induced) rent."

Rather is rent determined by the rate of interest. Site rent is the starting point of land value, in fact it is the only real land value. Rent being \$5 for a site, the title will sell for \$100 because, \$100 will bring \$5 if invested in capital. This is proved by "watered stock." A \$100 share is bought at par, and yields \$5 interest. Some monopoly power increases the earning to \$10; the share will at once sell for \$200. The additional earnings of \$5 is real value, but the added price of the share, which it induces, is "water" or fictitious. Now, the \$100 value induced by the \$5 site rent, is precisely like this additional \$100 in the share of stock. The land costs nothing and the added value of the share costs nothing. Both are capitalized income, both depending upon the rate that actual capital will earn. The capitalized price of land would be unknown without a fixed rate for the earnings of capital. (Read P. & P., p. 359).

"Interest takes from the borrower and gives to the lender, for which the latter gives nothing in return."

Then why does the borrower borrow? Revert to my farmer with the windmill, bought and set up by his own labor (or labor paid for). This farmer dies, and his heirs sell all the cattle and have no need for the windmill. A

neighbor offers 8 per cent. on the value of it; if he be allowed to turn the stream it pumps over into his pasture. He has capital enough to buy a windmill, but considers it to his advantage to buy calves, lambs, and bees, which will, on account of the "forces of Nature" increase more than enough to create the 8 per cent. The offer is accepted, and all are satisfied. The lender "gave in return" the capital that earned more than the interest received, increasing the income of the borrower; in fact the effect of capital is always to increase wages. The distress of the borrower is now caused by his landless condition, not by the greed of the lender.

The attempt to base rent on "the forces of Nature" by identifying these forces with land, must fail, unless Mr. George's definitions of rent be rejected. On page 166, *Progress and Poverty*, he says:

"Rent is the share in the wealth produced which the exclusive right to the use of natural capabilities gives to the owner."

Page 167: "Rent is the price of monopoly," by which he no doubt means: The price of the right to monopolize. Of course there can be no rent for that which cannot be monopolized nor exclusively held. Only Nature localized can be reduced to ownership and rented to tenants. A waterfall can be claimed and leased out, but not the wind which blows over good and poor land alike; nor sunlight, nor rain. Nor can the principle of growth of cattle be monopolized and placed on the market. These methods of Nature, which Mr. George says give rise to interest, may be called upon if we use rent-land, or no-rent-land. Put out bees (capital) and they will work for you and increase, and out of the increase will come interest; but you cannot start a brick yard to work and go away and leave it; so that if all capital were like brick yards, each capitalist would get his own appliances; a cobbler would not use rented tools, nor a 'bus driver a rented vehicle, because there is no yield beyond the result of the actual labor expended. But in the other case, there is a result of natural forces acting on the capital, that would not be seen had not the capital first been placed so as to be acted upon. Perhaps these forces should not be classed with land; but if they are, we must remember that land does not all necessarily yield rent. Henry George asserted equal Right to the use of the Earth, which means that we may freely employ the forces of Nature wherever we find them, except that the most productive sites, belonging to all, should yield a return to all, just as joint heirs might rent out an estate, and divide the rent.

Mr. W. E. Brokaw tells us that the One Hour time check would destroy land rent. Differences in sites "would pass to the consumer as cheapened products." I offer Jones an hour check for a bushel of wheat. Not so, says Jones. While my land is needed to fill the demand, I get only 15 bushels per acre, and a bushel means two hours labor. Then I go to Smith, who I know raised 30 bushels per acre, calculating that he will want but one hour for a bushel. It is evident that Jones will not sell much wheat at two hours per bushel. Mr. Brokaw tries to annul the law that: The price of the whole must be that of the costliest part of the necessary supply. His objection to a gold

dollar is that it is "partially a natural resource." So is a china plate, a cast iron car wheel, or any other product, and in the same degree. Gold is a product of labor, like any other product, and under freedom (equal right to the earth) the labor cost must approximate the cost of other products for which it is exchanged.

Why the frantic effort to establish absolutely Exclusive Possession? There is no exclusive possession unless we can exclude the tax collector, or pay him. The owner can hold on only so long as he pays the tax, which is really a part of the site rent. The owner of a building on leased land can do the same, only he pays the entire site rent to the so-called owner. We are all alike tenants; if we fail to pay the small site rent to the State, or the full rent to the title holder, we are ousted. We may find the word "tenant" on many title deeds. In England holders of unused land pay no taxes; such may be said to have exclusive possession.

THINKS MR. GEORGE WAS RIGHT.

(For the Review).

By WM. MATTHEWS.

We are being told from many quarters that Mr. George was clearly wrong in taking the vital forces of nature coupled with the element of time to justify interest—that all these natural forces are but a part of land and their effects are comprehended in the term rent. I am convinced, however, that the premise laid down in "Progress and Poverty" is sound and that a more careful investigation will force his critics to abdicate.

The assumption is that these vital powers of nature are related to some land and some particular locations and are a negligible quantity in others. But it will be found that in one form or another they are universal in their operations and relate equally to all lands. These natural forces are separate and distinct principles, and should not be confused with location and the natural qualities of the soil itself. While the quality, location and chemical conditions of the soil greatly varies, these forces remain uniform in their presence and application.

But while these vital powers of nature obtain everywhere, they do require that man establish certain conditions in order to intercept and utilize them. But these necessary conditions are not natural, pertaining to the land, but artificial and relate to labor. For instance, the barren desert may be and frequently has been changed to a veritable Eden by an adequate supply of water. The irrigation ditch, the planting of trees, etc., are but stored up labor energy or capital, without which the desert might forever remain