

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.

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## 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

a barren waste. But with this artificial condition provided nature's vital forces here, too, freely co-operate with labor.

Then again we have the picturesque mountain side with its beautiful water falls and cataracts, all of which may be useful in administering to our esthetic tastes. But some genius conceives of a greater use and labor harnesses the stream and utilizes its natural force to operate the mills and perhaps to furnish light and power to the city over in the valley beyond. Here again the universal power of gravitation is compelled through the artificial device of capital to co-operate with man.

The same is true of the growing crop and of the reproductive forces of the herd, all of which are capital, protected and environed by artificial conditions, or more capital.

In short it is only by the use of capital that man can arrest and utilize these vital forces. But once man by his ingenuity and stored up energy creates the necessary conditions these natural forces perpetually serve him, even while he is on his vacation or sleeping.

But all capital is not engaged in those modes of production in which the vital forces of nature give an added stimulus. A part of capital is necessarily employed in manufacturing or mercantile lines in which these forces play little or no part. Let us suppose that in a free state, such as that for which Single Taxers are striving, these natural powers give an added impetus of 10 per cent. to just one half of productive capital. Then owing to the interchangability of all wealth and absolute free competition in all directions, this gain accruing to a part of capital will be distributed evenly among all capital, making 5 per cent. the going rate of interest. But while competition will operate to equitably distribute interest, it is powerless to efface the fact of the added impetus of these productive forces of nature.

Nor can this impetus to capital in the process of production be said to be related to land, any more than is man himself, and cannot, therefore, be absorbed in rent. The law of rent is based upon separate and distinct principles. Rent is determined by the advantage of any particular location in production, with the same application of labor and capital, over the best land to be had free. While interest is determined by the average advantage accorded to labor by the co-operation of the vital forces of nature through the instrumentality of capital.

These productive forces of nature are closely and intimately connected with the active factor in production; for it is the conscious application of labor alone that apprehends and utilizes their powers.

Being but a slight deviation from the law of wages, and in reality but a part of it, the law of interest necessarily co-ordinates with and is easily confounded with the law of rent.

Nothing short of an infallible natural order, when recognized in our public policy, can distribute wealth equitably and in accordance with these laws. When the Single Tax philosophy is in complete operation interest will persist to the extent that it is natural and just.