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 min 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 o claim that "The rent of land belongs to the people." If the fa is true, our claim is just—having its foundation in natural justi "Rent" which is paid for the use of both land and improvements two-fold, which obliges one discussing the scientific principle of it distinguish between compensation for the land or site itself and t improvements upon it. That for the land properly is rent. Th part for improvements is interest or wages. If the improvemer have been made through the employment of labor of others, t return (yield) is interest. If it is for improvements performed the "owner" himself, it is wages.

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

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

As a general rule men do not lend "wealth"—except as wealth m be estimated as capital. They do not lend wealth at all in mak a loan of money, for the simple reason that money is not wealth, b merely a representative of wealth. No sane person borrows mor simply for the sake of having it. He converts it at once into wea in the form of food, clothing or shelter, or into capital for some busin enterprise. The reason for the fact that wages and interest rise a fall together is that both are essential to the production of weal It is not wealth that earns interest, but capital. Neither labor capital can be employed without the aid of the other. Demand one involves demand for the other. Wages compensate labor. terest compensates capital.

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

With reference to the natural increase in raising "pigs, wheat, hon etc.," there is indeed a "special help" on the part of nature. T is, the natural laws of growth or increase do aid labor, but let us forget that it is labor alone which is the beneficiary (or should be this "special help." In domestic affairs, the calf does not deve into a cow, except through the toil of man, nor does the juice of gra become wine except through the same means employed in vari ways. To the laborer, in these as in all cases, belongs the fruit 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 more than thirty years, and feel like perhaps many others that