

other books on bible subjects, and has been the editor of the Christian Patriot and also of the Christian Observer. The unique work to which we allude deals with some of the most important questions of contemporary discussion. It undertakes to show what light the bible throws upon such topics as the higher law of nations, the end of government, the rights of the people, taxes, the tariff, money, free coinage, the land, labor, monopolies, railroads, trusts, and prohibition. This book is still in manuscript, but Mr. Converse is proposing to put out an edition of 1,000 copies, upon receiving that number of subscriptions, payable upon delivery of the book.

In the platform of the Wisconsin republicans it is proposed to abolish the legislative lobby. But what good would that do? So long as legislatures are allowed to vote public privileges into private hands, there will be lobbies or vigorous substitutes for them. It may interest the Wisconsin republicans to know that in New York the lobby has been abolished. It was abolished by the great political bosses. Now, when private interests seek legislation there, instead of hiring lobbyists to beg and flatter and bribe legislators, they deal directly with the bosses who have the distribution of legislative nominations. A seat in the New York legislature is, therefore, no longer very profitable; but the position of a political boss is exceedingly so. To abolish lobbies, in essence as well as name, nothing can be effective short of abolishing private legislation.

One of the acts of the British parliament at its recent session provides for allowing persons accused of crime to tell their own stories to the jury. It is strange that England should have been so slow to adopt this reform. New York adopted it 40 years ago, and was quickly followed by the other states. Even in the federal courts, it has been established for 20 years. Yet it is not so strange, upon second thought, for lawyers advance

slowly. It is of the very nature of their profession to worship the past. They never inquire professionally as to what ought to be, and seldom as to what is, but almost altogether as to what has been. They proceed upon the theory that what has been is, and what is ought to be. So English lawyers opposed the bill allowing prisoners to testify in their own behalf. It was passed against the vigorous opposition of leading members of the British and Irish bar. Similar protests were made against the abolition of capital punishment for stealing, which by the way came well down into the present century. It is difficult for us to conceive of valid objections to allowing prisoners to tell their own story at their trials. But one of the objections urged in England, which was also urged here half a century ago, was that timid innocent prisoners would be subjected to such a strain under cross-examination that they might prejudice their cases with the jury, while guilty prisoners who were ingenious and bold might impose upon juries with their lies.

There is something extremely curious about the prosperity which we are now enjoying. The papers are full of it, and from the republican politicians' tongues the word falls trippingly. But none for whom it is intended experience any of it. Work is as hard to get, wages are as low, advertisements for situations are as plentiful, and advertisements of situations to give are as few and mean, as ever. Indeed, the prosperity of 1898 is so like unto the hard times of 1896 that nobody seems able to distinguish them. The nearest approach to an explanation was that of the iron trade journal which we quoted some weeks ago. It said that the peculiarity of the present prosperity is that it consists in more trade with less profits, and more work with lower wages. That explanation is ingenious, but a simpler if not truer one would be that, except among a few monopolists, there is no prosperity at all.

THE INTEREST QUESTION.

When Henry George brought the land question into the arena of popular discussion, arguing that the institution of land ownership is unnatural and unjust, he shocked many of those who adopted his views in this particular by his incidental defense of interest. Prior to his advent as a great reformer, interest was usually held accountable for economic ills. If the rich were growing richer and the poor poorer, interest was ascribed as the cause. And by way of illustration, such stunning calculations were made as that the compound interest of a penny from the beginning of the Christian era would absorb the wealth of the nineteenth century. George antagonized this theory, insisting that interest, so far from being an unearned exaction, is a natural increment of capital. He thus evoked the hostility of the anti-interest, or, as it would call itself, the anti-usury, element; and many of his own devoted followers take pains to declare their disagreement with him on the interest question.

I.

Most objectors to George's interest theory, so it seems to us, mistake his defense of interest for a defense of something else. They do not clearly distinguish interest, from sources of income to which George was as much opposed as they. That was his own view, for in the chapter of "Progress and Poverty" which is too often neglected or too cursorily read by the opponents of interest, the chapter entitled "Of Spurious Capital and of Profits Often Mistaken for Interest," George used this language: "The belief that interest is the robbery of industry is, I am persuaded, in large part due to a failure to discriminate between what is really capital and what is not, and between profits which are properly interest, and profits which arise from other sources than the use of capital."

He goes on in that chapter to distinguish from capital, which does earn interest, those property privileges which yield returns that superficially resemble interest and are called interest, but essentially are profits of a radically different sort. Among these is land, which is com-

monly called capital, and the rent of land, which is commonly confused with interest. Rent—ground rent—is not interest. It is not due to capital, which is a product of labor, an artificial thing; but to ownership of land,—a natural thing. Then, too, government bonds are as a rule not capital nor representatives of capital, and the so-called interest on them is consequently not true economic interest. The capital originally exchanged for the bonds has been used up in war, and the so-called "interest," so far from being the earnings of that capital, is a mere tax, exacted year by year arbitrarily by government. Thus the bonds, instead of representing living, earning capital, are only evidences of a legal right to levy taxes. Watered stocks and bonds also figure as capital, and their returns as interest; whereas, to the extent of the water, they are in fact spurious capital and their returns are plunder. There is likewise the familiar power of great concentrations of capital acting upon bad social adjustments, a power which does not attach to capital in its normal use. The trust is an illustration. It aims to make profits by restricting, instead of augmenting production. Such profits are not interest. The profits of successful but risky speculations are also often mistaken for interest.

When these and kindred forms of spurious capital and interest are eliminated, as George eliminated them, his interest contention is immensely simplified. It then involves nothing more than the proposition that labor products, when devoted to further production, yield an increase in themselves.

II.

This is readily seen as to some kinds of labor products. One of the simpler examples is a planted field. If labor plows the field, and, having gathered seed-grain, sows it there, the result, a planted field, is a product of labor; and such growth as may come is, therefore, the result of that labor. True, natural forces and not labor, cause the growth; but they could not cause that particular growth but for the preceding labor of planting. And growth there will be. Day by day and night by night, during the subsequent months, nature will work for the man

who has planted that field. She will work for any other man who has made similar demands upon her, for nature is no respecter of persons; yet she will refuse to work in that way for any man who has not thus given direction to her forces. Nature helps those who help themselves. That planted field—not the land of course, but the artificial condition which labor has produced—is capital, a product of labor; and to that particular capital and to nothing else, does nature attach this particular increment of growth. The grain sprouts and ripens even while the laborer who gave direction to the natural forces is wrapped in sleep. He has called upon nature to work for him; and nature, in harmony both in character and extent with the demands of his industry, does work for him, and in that connection for him alone. The increment that she thus adds to his work is his by the best title it is possible for nature to give.

But nature aids labor in this way only to the ripening point. When the grain is ready for the sickle the laborer must labor again, or nature will undo both her work and his. The grain will rot. Yet between planting and ripening there is a constantly increasing increment, due to no human labor except the original labor which ended with the planting—the labor that produced the capital. That increment is interest, natural interest, the interest to which George alluded when he described interest as just.

III.

What is thus true of a planted field, however, is not so obviously true of machinery, which, unlike the field, yields no natural increment—yields nothing except while labor actually uses it. Recognizing this, George said that if all capital consisted of non-growing products, like machinery, he would incline to think that interest could not exist. Inasmuch, though, as growing forms of capital, like wheat fields, do derive an increment from the active powers of nature, he held that the non-growing forms exact a share of that increment, through commercial interchangeability. His own words are as follows:

The interchangeability of wealth necessarily involves an average between all the species of wealth of any special advantage which accrues from

the possession of any particular species, for no one would keep capital in one form when it could be changed into a more advantageous form. No one, for instance, would grind wheat into flour and keep it on hand for the convenience of those who desire from time to time to exchange wheat or its equivalent for flour, unless he could by such exchange secure an increase equal to that which, all things considered, he could secure by planting his wheat. . . . And so, in any circle of exchange, the power of increase which the reproductive or vital force of nature gives to some species of capital must average with all.

There are other grounds upon which George's interest theory rests, but this sufficiently serves the purposes of explanation.

IV.

In objection to that theory we have never encountered but one plausible argument. It is an argument which takes different forms, but is expressed with peculiar force by one objector in these terms:

As I understand George, he justifies interest on the ground that when money is invested in some modes of production, it has a power of increasing independently of labor, owing to the reproductive power of nature. I will not invest in shoe leather, which has no tendency to become shoes without the application of much labor, when I can invest in a calf, which has a tendency to become a cow with the application of a very little labor. Consequently, I will not let a shoemaker use my money unless he will pay me the increase which the money could earn if invested in calves. Now, this argument does not commend itself to me. It seems to me that the value of a given product will depend upon the amount of labor required to produce it. If calves had to be manufactured and did not grow, veal would be an expensive diet. Do not all consumers get the benefit of the reproductive powers of nature? Do not old wine, beef, fruit, grain, shoes, chairs, clothes, and all articles of wealth depend for their value upon the amount of human exertion required to produce them? If nature helps more directly in the production of the former, that means that old wine, beef, fruit and grain will be cheaper than if they were produced in a manner similar to the production of shoes, clothes, etc. That all may share in the reproductive powers of nature, interest is not necessary. The advantages of these powers of nature are equalized by the greater productive power of labor when cooperating with the reproductive powers of nature, and the consequent cheapening of these articles to all consumers.

The argument, though plausible,