

## THE CALIFORNIA CAMPAIGN

EDITOR LAND AND FREEDOM:

Battle lines are forming rapidly in California for and against the recently-prepared constitutional amendment repealing the sales tax, and gradually all taxation on improvements and tangible personal property, and transferring the burden to land values. Nearly all the signatures necessary to give it place on the ballot this fall have been secured, and the present prospect is that by the time this number of LAND AND FREEDOM reaches its subscribers they will be secured and the needed certificates filed with the Secretary of State.

This undertaking has been one of no small magnitude, the total names being about 186,000, an almost unworkable number. This illustrates an error made in some initiative and referendum provisions, that of failing to place a reasonable limit upon the necessary signatures and proposing a straight flat percentage. Better provisions exist in some other states, as for instance Massachusetts.

The fight will be a most bitter one. Already from one end of the State to the other it is being proclaimed that an attempt is being made to put over the Single Tax in the guise of repealing the sales tax. Those repeating the charge fail to understand that sales tax and taxation in other ways upon industry are part and parcel of the same struggle to oppress the people. It is curious, however, that the cry of "Single Tax" seems in the eyes of our opponents to relieve them from the necessity of all argument. The counter-campaign, therefore, becomes simply an appeal to an outworn prejudice. I cannot believe that it will get very far.

That the amendment means much, we cheerfully admit. In the eyes of some it may seem step-by-step. In fact it has seven-leagued boots to travel with. Our opponents so thoroughly recognize this that they have exaggerated its probable effects. The statistician of the State Chamber of Commerce tells the members that it will take for public purposes from 80 to 90 per cent of rental value. He exaggerates, by using some figures over again and because, being simply a statistician, he knows nothing about the imponderables entering into the calculation. However, beyond doubt, very much the larger share of rental value will be taken, one-half of the new takings being in the first year and the rest in the course of nine years. This process will give industry a tremendous impetus and go far to solve the out-of-work problem now distressing the state.

May your readers understand that the spearhead of the movement for the freedom of humanity, as far as it can be done through freedom of industry and opening up of land, is right here in California. Here we may believe that we are fighting for the benefit of mankind everywhere. The man who fails to perceive this is blind to the obvious and to be pitied. We cannot take the time or strength to open self-blinded eyes.

The time will come when all who help us may feel that they have taken part in a great movement, and if they do not, then the future will bring with it regret over a lost opportunity.

We are fortunate in having good men and true at the head of the California fight. In San Francisco Noah D. Alper, 83 McAllister Street, works day and night for success. In Los Angeles, the campaign is in charge of Harry H. Ferrell, Bradbury Building, a very accomplished worker and devoted to the cause.

Palo Alto, California.

JACKSON H. RALSTON.

## INTEREST AGAIN

EDITOR LAND AND FREEDOM:

I notice a discussion in your December number on interest, and among others, friend Beckwith has a long letter. He claims to be a scientist, in fact the only real economic scientist who is 100 per cent Henry George. All others are "spurious imitations."

In a little notice of my book you qualify your praise by the statement that you "do not hold his views on interest." There are two

different things called interest. I and some others discuss one, Beckwith and those who agree with him another.

My contention is that interest is the payment for the use of borrowed wealth and nothing else. George says that this is not all interest, thereby admitting it is interest. Then he tries to make out that some part of the increase due to the use of capital is also interest, but nowhere does he define it or give any clear law for its division, and finally says, "In truth, the primary divisions of wealth is dual not tripartite. Capital is but a form of labor." (Book III, chapter 5, last paragraph.) All your correspondents, Beckwith included, discuss interest—in the commercial sense (the payment for the use of borrowed wealth) and although the latter denies that there is interest, he proceeds to discuss it without explaining what, in his view, it is; so his discussion is neither scientific nor understandable, as he is trying to apply his idea of interest to something, which he says is not interest. The only interest that is meant by economists other than Beckwith (if you can call him one) is that which I have defined, and which will disappear when economic rents are collected in lieu of all taxation and not until then. For as long as wealth can purchase and that will yield a revenue without the labor of the owner, just so long will man refuse to loan wealth without demanding a similar return.

I notice Mr. Beckwith says that defining terms first is a mistake. Certainly no one would accuse him of doing this in regard to interest. Toronto, Canada.

ALAN C. THOMPSON.

## FUNDAMENTALS OF INTEREST

EDITOR LAND AND FREEDOM:

Should not the followers of Henry George be sufficiently grounded in the fundamentals of economics to tide them over any problems with which they meet? It appears to me that the careful student would be impressed with the thoroughness with which our author delved into the natural laws that underlie all social and economic problems. It is not that we should accept all of his conclusions, unless to our own understanding those conclusions are the logical results of the premises he lays down. To my mind and the best of my information, no one has yet arisen to show any error in the premises. Being grounded upon them the student should develop his own conclusions. If he is logical in his reasoning, his conclusions must be correct.

In the discussion of the justification of interest, always there arises in my mind certain queries. For instance: There is not an intelligent person, whether conservative, liberal, communist, socialist, or what not, who will deny that, from the standpoint of justice, whatever any one produces through his own effort is sacredly his private possession. With it he may do what he will, so long as in so doing he does not injure another person. Yet, when it comes to the matter of interest, we find among all these groups—except only among the consistent followers of Henry George—some who question the justice of interest. Now what is interest?

In plain English, interest consists of a certain payment to some person by another for the use of something—whether that be a commodity, a tool or a sum of money. Now, if legally we abolish interest, or in any manner regulate the amount of it as payment for the use of capital, do we not by that act confiscate or deprive its owner of what is sacredly his own? Can any one propose a just manner by which society may compel any one to grant the loan of anything which he may have to any one else without recompense?

Then, too, by the simple natural law, operating all about us all the time, we observe that the wages of labor—despite even the efforts of unions—will rise as interest rises and fall as interest falls. Stating the same thing conversely, interest will rise as wages rise and fall as wages fall. Why should this be considered a natural law? The answer is simple. First, all will agree that prices of anything are determined by the natural law of supply and demand. Second,