

strong organization could in time be developed, strengthening the Schalkenbach Foundation, enabling it to expand and develop.

The new association would be but little different from the foundations of today except in stability, vigor, more general appeal and in the possibility which it would offer to secure better co-operation and more adequate financing for our great task. What possible objection can there be to such a program?

Albany, N. Y.

GILBERT M. TUCKER

With all respect for Mr. Tucker's views as above expressed, we believe the Robert Schalkenbach Foundation is doing a splendid work, and should continue to function in its present special field.

ED.

### AN AUSTRALIAN VIEW ON INTEREST

EDITORS LAND AND FREEDOM:

Your July-August issue contains an interesting article on a "Theory of Interest" by Mr. Gaston Haxo. He is sound in his statements that interest is not due to the reproductive forces of nature; also, that the contract (interest) freely entered into by borrower and lender, both of whom benefit therefrom, is equitable; and this custom is not likely to cease. Payment for service rendered, and it is commonly so understood, is the justification for interest, and the average rate is determined by competition between lenders. The return to lenders is their own concern.

I purchase a machine (capital). I purchase it from my own funds. It is mine for all time. That is just. But again, I borrow money not for itself, but for the service it supplies and I buy the machine. It is not mine. I pay for its hire. That is just. Service for service—interest.

Surely Mr. Haxo's statement that interest as an institution is "but the evil fruit of an evil economic system", and is "unearned increment" is wrong. It largely arises from his treating money as if it purchased only capital. If I, a land speculator, buy and sell vacant lots I do not spend money in purchasing capital. I purchase land—a wide distinction. If I buy a block, erect a building upon it, and let the whole, I am paid in money; I receive so much in interest on my building (capital). *This is just.* And I receive so much in land rent. This is due to society, and I have no just claim to it. Mr. Haxo makes no such vital distinction.

There is little doubt the enormous land rent incomes of Astors, English dukes, German junkers, etc. are invested by them partly in purchasing additional land—not capital. They also invest land-rent money in capitalistic enterprises, claiming "interest" and also in interest-bearing Government loans, stealthily reducing the masses to slavery. The whole world is the sufferer.

The investment origin is land rent privately appropriated. Only in this sense is Mr. Haxo's statement correct that "interest as an institution has its roots in land monopoly and the resultant exploitation of labor". This investment of the people's values we must put an end to. We must eliminate all land rent from private incomes.

Then will money lent be invested in capital alone, which, with interest thereon, Mr. Haxo endorses as just. Long-term interest on debts would disappear and back debts be paid off, for a new world of prosperity would prevail. The effect of breaking up land rent monopoly would be the same as witnessed in early "Go West" days before land speculation got the mastery and brought the United States to its present condition of progress and poverty. George would be vindicated. So great would be the demand for labor and capital, that wages and interest (both just, and the same in origin) would rise together, and with land rent collected and the abolition of monopolies, parasitism would be ended.

Melbourne, Australia.

F. T. HODGKISS

### "CORRECCION"

EDITORS LAND AND FREEDOM:

Mr. Joseph Sinnott, in his article "The Land Problem in Mexico," displays a remarkable knowledge of this country and the rapid development of its national economic life in the course of one century. I should like, however, to correct a few errors in the article.

In the first place, the name Anahuac which he applies to one of the strong tribes in pre-Columbian times is wrong. Anahuac was the name of the luxuriant valley on which the City of Mexico is situated; it means "near the water," in reference to its many lakes. The tribe he mentions was named Nahuatl. This really was a generic name including several of the best cultured tribes, and it means "one who speaks well."

The labor movement under Lombardo Toledano which Mr. Sinnott refers to favorably, has been only a political trick to give power to a group of workingmen's leaders leaning strongly to Bolshevism. Toledano himself and President Cardenas seem to believe in the efficacy of Communism and have fanatically worked for its spread. As often happens, the new Frankenstein has become too strong for them, and they no longer know how to wield it. Fortunately there is a large amount of common sense among the common people, and workingmen have begun to see the uselessness of Marx's theory.

I, too, have regretted that our presidents "do not know the way." But we should not wonder; in Cardenas' cabinet figure men who are professed Georgeists. Why have they done nothing toward the subdivision of large estates by means of the fiscal weapon, as Henry George advises? The other way brings a neat sum into the private pockets of functionaries. The temptation is too great. Then, what use would a copy of "Progress and Poverty" be in the hands of Mexico's leaders? They won't read it. I wonder whether the leaders of the United States have ever studied it.

Monterrey, Mexico

PROF. E. T. WESTRUP

EDITORS LAND AND FREEDOM:

We are very pleased with the spirit manifested in your editorials. They remind us of Louis F. Post's *The Public*. While always forceful, Post was never bitter or rancorous.

Pasadena, Calif.

MR. AND MRS. FRANK H. BODE

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which men might claim title. Security of individual liberty, attested by citizenship, and encompassing freedom to enjoy all other social and government services, is another, and paramount, service for which Rent is compensation.

Were these truths understood and recognized by all—what man, or group of men, would have the face or un-wisdom to precipitate a war, to preserve to themselves the privilege of ignoring their obligations to society, the payment of Rent in full to the government? By unitedly promulgating the truth that men must toil to possess the "increments" of nature, might not Georgeists again start mankind on the march towards the goal of Henry George—the public collection of the Rent and the abolition of Taxation? Might not such a program remove obstacles to the solution of the land problem, and disclose the insanity and futility of war? Would they deny this to have been his goal?