

will lend him money to build at once, and he would be glad to devote several additional months of his labor to paying the interest on what his home costs for the immense satisfaction of making it such a home as his taste may dictate. He would be willing to work the additional amount of time to pay the interest if there were no other advantages than the enjoyment of making and living in the home that suits him, beginning NOW. But if he has land enough he might plant an orchard NOW which by the time the interest has to be paid would bear fruit enough to pay said interest, so that he might not have to work any additional time to pay it. This would be a case of the productive forces of nature, etc., being made available.

Doubtless the young man and his family would say that the lender did them a favor and gladly would pay the interest because of the ability to enjoy from the start the opportunity to make and adorn a home according to their taste. Even if they had lived in another man's house until the head of the family had earned enough to build his own he would have to pay interest under the name of rent, for the owner of that house would not let him live there for nothing.

I do not know of any proposed organization of society that would furnish a beginner of small means a house without the necessity on his part of borrowing enough to pay for the building of his house. The proposition that would come nearly half way to do this is the Single Tax, for in a country where ground rent would be taken in taxation he would have to pay perhaps only six months future tax to get the ownership of the land on which he would propose to build his home, so that he would devote what he had already saved to the purpose of building, and would have to borrow and pay interest on much less. This reason why interest persists is evidence of a progressive tendency of society, a desire for better things, a sign of elevation of sentiment and a disposition to have the better things NOW. This same reason for the payment of interest at a higher rate in new countries is due to the fact that nearly everything in the shape of betterments and improvements is needed there, and of course they want them NOW. But the additional and stronger reason why interest is higher there is because each settler or inhabitant wants to get MORE land. No matter if he already has as much as he can use himself he knows that increasing population will increase the value of land, and the more he has of it the greater wealth will he obtain by the increase in the value of his acres. Doubtless we can prevent this influence from raising the rate of interest by enforcing the Single Tax, and perhaps we ought to do so.

CAN INTEREST BE DESTROYED BY THE USE OF THE PUBLIC FUND (LAND VALUE)?

BY EDWARD GATES

In the last number of the Single Tax REVIEW there were several articles on the subject of Interest. The writers of these articles refer, some of them in a somewhat hesitating and doubtful manner, to the cause which Henry George assigns for interest.

Henry George assigns the generative principle in nature as the primary cause of interest and assumes that if all things consisted of inert matter there could be no justification of interest.

It is, indeed, true that interest does depend upon the generative principle in nature. So also do wages. So also does rent. Without the generative principle in nature there could be no such thing as interest, rent or wages. But the generative principle in nature has nothing whatever to do with the division of the product into interest, rent, and wages. If any one of these should be singled out as being caused by generative principle it would be equally proper if not more reasonable to say that rent is caused by the generative principle in nature, for is it not upon the land of greatest fertility, that is upon the land where the generative principle of nature operates with the greatest results, that rent arises?

Neither can we say that interest presents the difference between what labor can produce without capital and what labor can produce with capital. Without the use of capital labor cannot produce anything at all under the modern system of industry. We cannot believe that the time will ever come when men will engage in private enterprise unless they believe they can make interest on their investments, in addition to wages, for the labor of superintendence. Under the Single Tax limited interest will continue the same as now. The rate of interest depends upon the supply and demand of capital, and where there is a legal rate that legal rate has a very close correspondence to the rate fixed by supply and demand; otherwise, it would be largely ineffective.

Under the Single Tax unlimited, however, interest will, to a great extent, if not entirely, disappear. Not, however, in any such way as some Single Taxers think. But it will largely disappear through the application of the social fund to public ownership and operation of all public utilities, perhaps by rendering free service in all public utilities, and perhaps public ownership of many things not now regarded as public utilities.

Interest works the greater hardship where men are compelled to pay in their efforts to secure their own homes, and this is evidently the chief cause of so many families remaining tenants for life. It is quite apparent that the building of municipal homes for the people will be among the first uses of the social fund. By permitting occupancy with no other condition than that of the payment of the land value tax on the site of the house, interest will be abolished at the point where it is most burdensome.

INTEREST AND MONEY.

W. E. BROKAW.

The "Interest Symposium" in the May-June REVIEW *was* interesting. Yet it seems to me that there are phases of the subject, untouched by those writers, that are worth considering. In contormity with what you quoted,