

return it might pay the fisherman to make his own canoe. Thus payment or interest would be made to suit both borrower and lender. There would be no foolish arrangement such as a promise to pay so much in fish and to return a canoe as good as the one borrowed, but the payment would be in the product of the labor or its equivalent. Primitive men, being more wise than civilized men, instead of promising to return a good canoe in place of the old one after a season or two, the savage would set to work and make a canoe in the first place, and the canoe maker would have too much respect for the intelligence of his borrower to exact such a promise. Naturally such capital would wear out. There would be no such thing as collecting interest ad infinitum. Mankind would eat in the sweat of its brow.

With monopoly of natural resources, such as private ownership of land, and the advent of economic rent because of man's increase and development, the attendant inequitable distribution of wealth has placed large aggregations of capital in a few hands. In many cases this means the power to claim a large share of the produced wealth by reason of the ownership of a necessary factor in production, land, and this without the exertion of any productive labor by the owner. This leads to land speculation, the withholding of land from production. Capital then demands a return greater than it can get from land rent and so we have a false interest, a monopoly or holdup charge. Such interest is not predicated upon the assistance it gives to labor, nor upon the natural increase to wealth in the forms of flocks and herds. It follows the law of supply and demand all right, rising and falling as wages rise and fall, falling as rent rises, and rising as rent falls. Such interest contains a payment for risk. Such interest we are suffering now. Such interest is in Mr. Nightingale's mind when he speaks of payment ad infinitum.

If we stick to the definition of interest that all true Single Taxers should believe in, that interest is the return for the use of capital used in production, the share of capital in the wealth produced, we shall see that the restoring or renewing of capital does not enter into the question at all. Capital must follow the inevitable law of all nature and disintegrate. I know not why the idea of restoration of capital has crept into the idea of interest. It is illogical. Labor is the father of capital. As the individual who exerts the labor must disintegrate according to the law of life, being less and less able to exert labor as time progresses, until labor ceases with life, so must capital in the form of tools, buildings, clothing, also disintegrate, and be continually replaced by fresh applications of labor and capital. Get away from the fallacious doctrine that interest is to restore capital used up. Stick to the definition as given by Henry George.

Henry George has set us an example to follow in determining interest, the natural increase attendant upon wealth in forms capable of natural increase. But it is at best only an expedient. The labor is also a factor in what we assume to be a natural increase. A natural increase in herds unattended would be outweighed by the losses. Over a period of years herds and flocks would deteriorate, for our domestic herds and flocks, yes, our fruits and flowers, are the results of labor, mental and physical, in which nature's methods have been anticipated, the stock weakened physically for environmental struggles, and nature, ever jealous of trespassers in her domain, is continually causing a reversion to type. This natural increase is only an expedient in determining true interest but we have not progressed mathematically to the point where we can cast it aside. It is the only true way at present to judge interest, that is true interest.

That being the case let us now consider Mr. Nightingale's complaint. For example; a railroad company issues bonds bearing interest at four per cent to purchase equipment such as rolling stock and rails. Mr. Banker and Broker buys thousand dollar bonds for his children. The bonds mature in thirty years. In five years the rails are worn out, in ten years the locomotive and coaches discarded for more modern ones, but the bonds still go on paying interest, even long after the rails are rust and the cars junk. At the end of thirty years the bonds are redeemed and more bonds bought with the money.

The same thing goes on, the heirs and assignees collecting ad infinitum long after the original capital has disintegrated.

We can see very easily that what appears to be interest here is not interest at all, not true interest. It is a collection of tribute for no service at all after the disintegration of the rails and rolling stock. It is a cancer, sucking the life blood from production. Interest ceased when capital disappeared. Converting the capital into money did not alter it. Under the regulation of the natural increase due to nature working through wealth in such forms as flocks, etc., we would have the owner of the capital, as evidenced by the bonds, paying for all repairs and replacements of the capital in rails and cars. Is this done? It is not. Until it is done we can not blame interest, true interest. And when it is done there will be nothing to blame interest for.

Mr. Nightingale is deserving of a vote of thanks for bringing up this question. Wrong though he may be, it is an honest mistake, a mistake due to our acceptance of the use of terms where they do not apply. If the owner of capital does not pay for the replacement or restoration of the capital, as I suggested, since in nature the form of wealth does this, but locomotives, cars, and rails can not reproduce, then the capital should be reappraised each year in conformance with its depreciation. This would wipe out the capital in a few years, as should indeed be done. It is done where a man owns his own capital in the form of carpenter's tools or a motor truck. Big business should be made to conform to the standards of justice found in every small cobbler's shop or printery.

The possibilities of this are enormous. We won't go to war to collect unpaid debts, and we won't pay for wars contracted by previous generations. A large idle class will be eliminated for the good of mankind. The payment of tribute on monopoly will stop, and the so-called payment of interest ad infinitum will be ended; that is, provided we adopt the Single Tax also. Otherwise we shall simply pay higher rents to the landowners ad infinitum.

Brooklyn, N. Y.

JOHN LUXTON.

ACTIVITY IN DENVER

EDITOR LAND AND FREEDOM:

Your exposure of the puerility and stupidity of so-called statesmen and sham pretenders to economics is delightful.

I am glad to report that our local Georgists are becoming much more active. They meet every two weeks and are steadily making converts. Letters to the newspapers appear more frequently and there seems to be a more favorable attitude on the part of the editors. Despite the activity and the well directed opposition on the part of our friends in the legislature the Governor succeeded in having the sales tax put over under the guise of an emergency measure for relief. The unfavorable reaction against it is very strong and we are availing ourselves of the opportunity thus created to do some excellent propaganda work. People that never heard of Henry George before are learning about him now. The most encouraging sign is the number of young folks who are becoming interested. Our public forum meetings every Sunday afternoon are well attended.

In the agitation over the sales tax the attempt to couple the farmer and the realtor was especially noticeable. This gave us a good chance to point out that their relation to land has nothing in common. The farmer uses land to raise crops. To him high priced land is a handicap, just as is high priced materials and tools of any kind. Nor is the legitimate land dealer interested in high priced land. He can, indeed, find more purchasers and more tenants with cheap than with dear land.

It is the speculator alone who wants the price of land to rise. His profit comes from buying land at a low price and selling at a high price. The land speculator, and he alone, is interested in seeing the price of land advance.

The shoemaker does not want high priced leather, nor the baker, high priced flour. Why, then, should the farmer or the city land

user wish high priced land? It is only as a land speculator that a farmer could profit from the rising price of land, and then only after he had ceased to be a farmer. Tenants seeking to become owners are only tantalized by rising prices of land.

The working farmer is today taxed nearly to death. All that he buys, his tools, machinery, clothing, furniture, processed food, etc., is taxed in the hands of the producers, and again in the hands of the dealers. All these taxes are added to the price the farmer pays. They are taxed again yearly while in his possession. On top of it all, the farmer pays a tax based on the fictitious speculative value of his land.

If it be asked why the farmer does not recoup himself by adding his taxes to the price of his products, after the manner of the manufacturer and the merchant, it may be answered that his perishable crops must be sold at once, and the non-perishable have their prices fixed in the world market.

The sales tax abomination will not be an unmixed curse if we seize upon the opportunity it affords to educate the public on the evils of excise taxes. Already we may observe the pendulum beginning to swing the other way.

With best wishes for LAND AND FREEDOM and not forgetting its editor who serves us so efficiently,
Denver, Colo.

J. B. MCGAURAN.

NEWS NOTES AND PERSONALS

THE Brotherhood of the Commonwealth, an organization founded by Charles Frederic Adams, one of the closest friends of Henry George, is now in a fairly flourishing condition and certainly on a firm foundation. It includes a tontine form of old age insurance. The plan will interest Single Taxers and many Henry George men throughout the world are members of the Brotherhood. Many of its officers and directors are well and favorably known to readers of LAND AND FREEDOM. Oscar H. Geiger and Hon. Edward Polak are among the past presidents. After a trying time the organization is forging ahead. Literature explaining its aims and policies will be sent on application to this office.

OUR Roumanian correspondent, Ing. C. Barsony, reports that every week brings a new series of restrictions and interdictions for the benefit of a favored few. The evil consequences of laws interfering with trade and commerce are tending to the complete breakdown of Roumanian economic life. His letter ends with a statement that he may soon have news of the establishment of an enclave of economic rent in Roumania.

THE death of Mrs. August Lewis of this city, widow of August Lewis, occurred early in April of this year. She had reached an advanced age and was a sister of Dr. Walter Mendelson, formerly of this city, now of Philadelphia. August Lewis, whom many of the older readers of LAND AND FREEDOM will recall, was a devoted friend of Henry George and to him the "Science of Political Economy" is dedicated.

THE death of K. P. Alexander at Little Rock, Ark., on March 31, marks the passing of one of the veteran Single Taxers of the South, long a friend and contributor to LAND AND FREEDOM. He passed away quietly and easily. His sister was the only relative at the funeral, his son being in Japan. As nearly as we know he was in the seventies. P. W. Schwander of Houston, Texas, writes feelingly of his death and says, "Another faithful crusader gone to join the regiment of which we too shall be members in a few years—we who knew Henry George in the flesh and have labored long in the Master's vineyard to unveil the truth he tried to make clear."

A DINNER was held at the Town Hall in April in honor of Mayor McNair of Pittsburgh at which one hundred diners sat down. Charles

H. Ingersoll presided and introduced Charles S. Prizer, who told something of the personal history of the mayor. Among those who spoke briefly were Walter Fairchild, Theodore H. Miller, John Luxton, Grace Isabel Colbron, Mrs. Anna George de Mille, Charlotte O. Schetter, Harry Weinberger and others. Mayor McNair related what was transpiring in Pittsburgh with his keen sense of humor, and was vastly interesting. In more serious vein he contrasted the taxation prevailing in New York with that of Pittsburgh and commented on the attempts of the Pennsylvania legislature to oust the present administration in Pittsburgh. It was voted a very successful dinner and it was good to observe many out-of-towners

ONE of the bright young men who came from Japan to America some fifty years ago to study used to say that one of our universities was the best because the students got nothing from the professors.

THE *Lethbridge Herald* of Alberta, Canada, contains a report prominently featured of the opening rally of the Milk River Single Taxers for the campaign in the next provincial elections. The *Herald* speaks of it as "the most largely attended political meeting held in this district for many years." Among the speakers were H. C. Moir, George H. Tomfohr, Fred Pease, and S. A. Hulme. These speakers explained the operation of the Henry George system in Milk River. Mr. O'Hara acted as chairman. We who have met the members of this extraordinary group at both Henry George Congresses in Chicago know these boys who are stepping out to capture the province of Alberta. Their success would mean much to the movement in Western Canada.

DALE COX, columnist of the *Cleveland Plaindealer*, took occasion to rebuke our friends E. W. Doty and Peter Witt for their support of Roosevelt and the New Deal (see March-April LAND AND FREEDOM, page 63). Mr. Doty who is a good sport writes Mr. Cox as follows:

"Your column this morning was great, and on the face of it is substantially correct—seemingly so substantial and seemingly so correct that I am not going to take the trouble to deny nuthin'."

"I did have hope that Washington would accomplish something real, but my hope has been dashed. Just when the dashing was accomplished I am not sure, but at least before your column appeared. As proof of this I enclose copy of a letter I wrote Henry Busch yesterday morning in a fit of agony over the state of the nation."

"But your castigation serves us—Pete and me—right. We really knew better all the time but didn't work at it as we should have, and as you point out."

N. D. ALPER has prepared an interesting Questionnaire which appears in the *St. Louis Times Star*, and answers are requested. The column has aroused a good deal of attention. Mr. Alper is one of the most active Single Taxers in St. Louis.

MR. CHARLES G. MERRELL of 67 Reilly Road, Wyoming, O., is in need of the following issues of LAND AND FREEDOM to complete his files: Sept.-Oct., 1931; July-Aug., 1932; and March-April, 1932. Maybe some of our readers can supply these needs.

THE "Soviet Table" is a pamphlet containing a radio broadcast by John L. Raper, well-known columnist of the *Cleveland Press* and friend of the Single Taxers of that city. Most of the allusions are of local interest. Newton D. Baker comes in for some stinging rebukes.

JOSEPH R. CARROLL of Norfolk, Conn., writes: "I have just finished March-April LAND AND FREEDOM and cannot refrain from an expression of delight that we Single Taxers are so fortunate as to have such a publication. Certainly there is no other publication in the country which combines depth and brilliance as these qualities are combined in your Comment and Reflection." In John Lawrence Monroe's report in March-April number Mr. Carroll's home town is given as Norfolk, Va. It should be Connecticut. His class of three given in that report has now grown to six.