

made no attempt to meet the arguments that I set up against this particular idea. And as his error appears to be due to his having confused use value with economic value, I suggest also that he read the very enlightening chapters on value in Henry George's "The Science of Political Economy."

Turning now to the letter written by Henry P. Sage, I find him claiming that the cause of "interest" is the service rendered by the lender to the borrower which enables the latter to "overcome the disutility of time" and is not the increased power that labor receives from capital. But although he has made a valiant effort to keep clear of the Productivity theory, he cannot help falling into it when he tries to measure this disutility or inconvenience. He offers the illustration of a man who, rather than spend a year accumulating capital, prefers to borrow \$500 so he can work his farm immediately. At the end of the year, he is able not only to pay back the principal with "interest" but to have for himself stock and tools and several hundred dollars in cash. Now, Mr. Sage wants us to believe that when this farmer applies capital to land, he can earn more than he could at some other occupation without capital. But this is rather doubtful economics, for such a condition is impossible. If a man could increase his income merely by using capital, a flock of competitors would be attracted to his occupation who would drive his income down to what it was working without capital. And if he borrowed capital in order to obtain an advantage over working without capital and contracted to pay for that advantage, he would soon find himself bankrupt. Practical experience supports this statement, for 90 per cent of those who enter business for themselves eventually fail, largely because of incompetence. Capital can give nothing to labor that labor does not already have in itself. A savage, for instance, would be helpless with a machine in his hands. A man does not use capital to increase his efficiency, but rather he is first efficient and that is why he uses capital. In other words, using capital is the conventional mode of producing wealth, and the man in the illustration is *compelled* by competition to employ capital on this type of farm if he is to remain in the market. This may be difficult to perceive, for we are so accustomed to the schoolboy formula that "capital aids labor to produce wealth." Mr. Sage's belief that labor gains from the use of capital is based on the assumption that, as an alternative to borrowing, one must engage in an inferior occupation in order to accumulate capital, as though capital had the power to determine one's ability or the productiveness of any occupation. Such a notion is socialistic and contrary to fact. This assumption is the pitfall of all productivity theorists. It is labor only that determines the character of industry. Capital merely represents the method of labor or the direction that labor takes in production.

When we come to understand the true nature of capital, we shall see that one borrows instead of accumulating capital oneself, not to gain an advantage over working without capital, but because of the convenience of having it at a particular time. All that can be afforded in return for this convenience is compensation for risk, for one's income as a laborer, other things being equal, is determined entirely by one's own efforts.

Brooklyn, N. Y.

RAYMOND V. McNALLY.

#### THINKS HENRY GEORGE CLEAR ENOUGH

EDITOR LAND AND FREEDOM:

I note with interest the many viewpoints expressed in your columns recently on the subject of "Interest." It seems that Henry George made his position quite clear in regards the origin and justification of interest through the exchangeability of wealth, the law of supply and demand, the active power of nature to increase and the pooling of all these advantages, together with the fact that wealth is capital only when used or designed to be used in the production of wealth, and that demand or lack of it determines the quantity of capital upon which interest is to be paid. Insurance against risk is not interest, although it may be added to the rate of interest depending

upon the nature of the investment, and only serves to equalize the excess gains and losses.

Philadelphia, Pa.

JULIAN P. HICKOK.

#### PRAISES THE DETROIT STATEMENT OF PRINCIPLES

EDITOR LAND AND FREEDOM:

I have a copy before me of the programme of the recent Henry George Congress at Detroit on the back page of which appears what I think is one of the most effective statements of the principles for which the George movement stands that I have seen. Whoever prepared the statement is to be complimented upon its simplicity, its clarity and appeal.

I have long felt that such shouted statements as "*The land for the people*" and the emphasis that has been so loudly placed upon the subject of "*land*" have been almost invariably misunderstood and have definitely alienated sympathy and support for our cause on the part of many even of the more intelligent and better educated people of the whole world, a sympathy and support which would be enlisted from many were the evils of our present order, so definitely seated, as they are, in confiscation of private property for public use, set out as they have been in the statement on the back of the recent George Congress programme.

There is not the particular sort of glaring claim in the Congress statement which, in the eyes of those who do not know anything of the principles of the George movement, has about the same effect as the waving of a red flag in the face of a bull.

The paragraph dealing with *ground rent* as a social product has no such effect. It rather invites study on the part of intelligent people whose sympathy and support are so much needed. I doubt very much if our movement will ever be understood or even appreciated by the masses who, I think, must be intelligently led rather than permitted to direct.

And so I believe that if George's teachings are to arrest the present trend everywhere towards anarchy, his theories must be presented to the thinking and intelligent people of the world in "fetching" terms,—not in some of the antagonizing and inciting terms so commonly used by the properly zealous adherents of the cause.

I believe that we, of the George movement, are all agreed that it is the universally ruling principle of confiscation, more than all other causes combined, which is rapidly pushing the world into sheer chaos.

It is nothing less than appalling that world leaders everywhere offer nothing better than destructive confiscation as the ruling principle of our social and economic order. Their suggested remedies and the remedies urged by contending groups and political parties are, in truth, little less than senseless economic piffle, bound to run their course to their own exhaustion and a world-wide social tragedy.

Sanity in presentation of the George principles must supersede a good deal of the antagonizing and alienating presentation they have heretofore suffered, if the cause is to make real headway.

Lockport, N. Y.

C. A. LINGHAM.

#### THE CALIFORNIA CAMPAIGN

EDITOR LAND AND FREEDOM:

When last reporting to you I described the new form of the taxation amendment we had prepared for submission to the voters of this State and spoke of its powerful endorsement by the State Federation of Labor. Shortly thereafter the amendment was submitted to the State Attorney-General for the preparation by him of a summary to be placed at the top of the initiative petitions and at the top of all pages carrying signatures. This summary was prepared in a manner satisfactory to us, and we turned our attention to the matter of the circulation of the petitions, requiring about 187,000 signatures. For the procurement of these signatures satisfactory arrangements were made, and up to this time nearly or quite one-half of the necessary names have been secured—the work of but little over two weeks'

time. We may rest assured that within not far from a month we will be assured of a place on the ballot for the election of 1938. As I have explained such an occurrence as that which deprived us of our place last year cannot be repeated, for instead of being required to put at the top of signature pages a statement in twenty words of the nature of the petition we simply repeat the attorney general's summary, this because of a recent legislative correction.

Battle lines are quickly forming. At the first intimation of a renewed conflict the Real Estate Boards took alarm and determined that the signing of petitions should in every way be discouraged. This action on their part was supported by appeals in newspapers of large cities to shun signing and also some active work on the part of school authorities. Nevertheless, circulators report the petition very generally signed and without material difficulty. The statement I have already made as to the progress of the petitions proves this.

We do not underestimate the strength of the forces against us, but it is unnecessary to overestimate them. We face the fairly united force of the banking institutions, Chambers of Commerce, Parent-Teachers Associations, California Teachers Associations, Farm Bureau, and the large majority of the press. In addition we have to fight the odium which, in times past, has been attached to the words "Single Tax," and which constitutes a barrier closing the minds of many to consideration of the merits of a plan involving in any degree any portion of the argument covered by these words. We cannot overlook the very important opposition given us by the State administration, and particularly the State Board of Equalization, with its utter disregard for truth.

Outsiders may inquire how it can happen that the educational forces of the State are so largely against us. The statement is made to teachers that the State educational system is entirely dependent upon the sales tax for its support, and that if that is destroyed their livelihood is gone. The statement has not a shred of truth to support it, but said by people of superior authority, the majority of the teachers seem to accept it. Fortunately there are a couple of teachers' organizations of a more thoughtful character which can be relied upon to give us real help.

Aside from the bodies last spoken of we have the very solid support of all labor organizations, numbering certainly not less than 300,000 members, and their families. These constitute the greatest body of voters in the State practically so far as we are concerned under one banner. The greatest single further factor which will bring us anticipated success is found in the fact that the sales tax is universally unpopular and thousands are seeking some way of getting rid of it. We offer them the only solution of the problem—tax land values.

The naturally progressive elements of the State are with us, practically to a man, and their strength may be gauged by the fact that three years ago they won for Sinclair, against substantially the same opposition we are facing, the Democratic nomination for Governor and carried him fairly near election.

But we cannot ignore the fact that we are up against an enemy without principle and with the ability to raise fifty dollars to every one we can hope to obtain for the campaign. Fortunately for us the need for money is vastly less than for our opponents. Truth has a way of showing itself however it may be concealed by money. Nevertheless we must have support to combat error—and a whole lot of it. We have already had to put out many thousands to get on the ballot, and are crippled in entering into the campaign for want of money to meet the most ordinary expenses.

Let me close by repeating what I have found occasion to say in the past. The California campaign is the turning-point in our work. If we succeed it will mark the highest point so far attained and encourage the fight all over the world. Even if we for the moment fail, the lessons of the campaign properly studied will make defeat only a little less valuable than success.

Palo Alto, California.

JACKSON H. RALSTON.

## NEWS NOTES AND PERSONALS

"FOR more than twenty years," says Walter Lippman, "I have been writing about crucial events with no better guide than the hastily improvised generalizations of a rather bewildered man." This is an honest but rather humiliating confession. But there is hope for Mr. Lippman so long as he recognizes it.

MORRIS VAN VEEN of this city writes: "I read your remarkable editorial in the Sept.-Oct. number of LAND AND FREEDOM on the church and Father McGlynn. Despite your lengthening years the punch is still there." Thanks, brother Morris.

MRS. RITA BERENS, widow of Lewis H. Berens of England, passed away on September 1. Like her distinguished husband she kept her interest in the movement to the very last.

WALTER N. CAMPBELL of Washington, D. C., writes: "Thanks for your article on The Difficulties of Democracy. It has helped to bolster my faith which has somewhat lagged with the New Deal making a great show of taking from the top to feed the bottom, with the same old machinery greased to insure the top getting it all back and then some. One of the processes by which the rich grow richer and the poor poorer."

IN *Retailing*, a New York trade publication, H. Ellenoff contradicts the editorial conclusion and advises the editor to read Henry George. He accompanies his letter with a booklet from the Henry George School of Social Science.

We are glad to announce that *The Square Deal* of Toronto, Canada, has resumed publication. The number for Sept.-Oct. augurs well for its success. Alan C. Thompson will assume the editorship.

"WHAT is a Liberal," is the title of a four page pamphlet from the pen of John C. Weaver, 4271 Bryn Mawr Road, Pittsburgh, Pa. Mr. Weaver makes a strong appeal for the gospel of freedom.

THE Tyranny of our Revenue System was the subject of an address delivered in Denver, Colorado, by L. D. Beckwith on his way to Detroit.

THE Henry George Foundation of London has issued new editions of "Progress and Poverty" and "The Perplexed Philosopher."

HON. ABE D. WALDAUER of Memphis, Tenn., pays a beautiful tribute to the late L. O. Bishop, and concludes: "Bishop was more than a fighter for social justice; he was a leader in the movement of America to the stars."

MR. G. M. FOWLDS of Auckland, New Zealand, writes to us: "We are having a very interesting time in New Zealand now under the new Labor administration which passed about 60 far-reaching acts in their first session. While they altered the Land Tax to bring in about double what it had brought in in recent years, now £1,000,000, we are still afraid that as a result of their huge expenditure of public money and the prosperity now in progress due to higher prices for our products will again bring about an orgy of land speculation. Still I think that if they see this clearly enough they will legislate accordingly. At the present time I suppose New Zealand is about the happiest country in the world with a very high standard of living."