and even though in disagreement, each reply gives a very interesting view-point.

In friendly criticism we would add our own point of view regarding money: Money itself is not wealth. When money is issued against metal that metal, as a labor product, is wealth. Other money if unsecured, is credit money, but it must represent wealth produced or land value and must be backed by the government taxing power.

C. H. K.

PAMPHLETS RECEIVED

E. J. CRAIGIE DOES A FINE PIECE OF WORK

"A Study in Central Melbourne Land Values" is a pamphlet of thirty-six pages and cover prepared by E. J. Craigie, M. P. We become acquainted with the pioneers of Melbourne, named in honor of Lord Melbourne; its first established government in 1837; and the sale of the land by the government for £6,916 now worth (unimproved value) £23,000,000.

We learn of many instances which illustrate the growth of land values and the great fortunes that fell to many of the lucky gamblers. Thus a Mr. Browne bought one of the allotments. Thinking he had made an unprofitable purchase he sold it to the Wesleyans for a chapel site. In the course of time the Wesleyans sold it for one thousand times the amount paid by Mr. Browne.

This is only one of the cases of unearned wealth cited in this amazing little work. Mr. Craigie tells us that land that was sold for from £30 to £40 per half acre is now worth approximately £2,000 per foot. And of course, and as a consequence, there are great numbers of unemployed in Melbourne.

The title deeds drawn up by John Batman with three of the aborigines in 1835 reveal that Melbourne was sold for twenty blankets and twelve tomahawks. The curious title deeds confirming the transactions are under glass at the Melbourne Public Library. It is some satisfaction to record that the Home Government annulled the whole transaction.

Mr. Craigie has done a neat piece of work in gathering this material into pamphlet form. His comments are always arresting, as for example:

"It is a well provisioned ship, this on which we sail through space. If the bread and beef above decks grow scarce we but open a hatch and there is a new supply of which before we never dreamed. And very great command over the services of others comes to those who as the hatches are opened are permitted to say, This is mine."

J. D. M.

FRANK STEPHENS IN A NEW GUISE

"Grub's Corner or the Dutch on the Delaware" is an operetta by Frank Stephens, the musical score of which is by Estelle Hillersohn from the operettas of Gilbert and Sullivan.

The prologue is written by Frank Stephens in a happy vein. He tells us that "Of course he could have written the music as well as the words but like most of our fellow citizens we were in too much of a hurry to make anything fresh when we could pick them up already canned."

He tells us in this prologue: "It brings together historic personages who never met, in places where they never were and at times when they were not alive. It includes in one day's action events which befell nigh a century apart."

Nevertheless, it typifies real historic happenings and teaches a useful lesson in land grabbing, its phases and consequences, and the actual bases of many of our land titles, that will not be lost upon the reader. William Penn, Lord Baltimore and Pocahontas are personages who appear in this delightful fantasy.

The arrangement and versification are admirable. The latter has a rhythmic movement and quality not unworthy of Gilbert himself.

It seems to us that it would form a delighful entertainment at Single Tax gatherings for the benefit of strangers on whom its philosophy is not likely to fall unheeded. It has been presented at Arden with good success. You will like it. A very clever piece of work.

J. D. M.

Correspondence

WHERE THEY ARE DOING THINGS—NOT MERELY TALKING

EDITOR LAND AND FREEDOM:

We have carried on a very active campaign here this winter and are having wonderful success in arousing interest. We are putting up a member of the group on a straight Single Tax ticket. We have mixed with the other parties in the past and got nowhere. We are now opposing them and right here in this neck of the woods we are quite a factor.

We have little hope of winning the seat at Edmonton for which we are contending, but the present time is wonderful for educational purposes. We get very fair treatment from the newspapers and the public and they seem very anxious to hear our message.

Milk River, Alberta. FRED PEASE.

MR. NEWTON D. BAKER IS WRONG

EDITOR LAND AND FREEDOM:

Referring to the letter signed Robert S. Doubleday, page 69, March-April, 1935, LAND AND FREEDOM, I quote the last paragraph:

"Newton D. Baker tells me the administration cannot constitutionally do anything that he knows of looking toward the collection of economic rent."

In this connection I quote from a pamphlet published by Tecumseh Hall, Realty Building, Youngstown, O., last page:

"But legal and constitutional restrictions make this plan impossible!"

Just the opposite is true as is shown by two facts which every lawyer knows: (1) Blackstone wrote, ". . . there is no foundation in law why a set of words on parchment would convey dominion of land;" and (2) the dictum of our United States Supreme Court which paves the way for us in a decision written by Justice Freestone Miller, which includes this plain statement, "The reserved right of the people to take the full annual value of the land must be considered a condition to every deed."

The above mentioned pamphlet is "We Accept the Challenge," an open letter to Mr. Farley, by Peter Longbottom. Price 10 cents.

Melrose, Mass. A. RUST.

A LETTER OF REAL CLARITY

EDITOR LAND AND FREEDOM:

In your March-April, 1935, issue, C. H. Nightingale of New Zealand spends two columns showing that under free conditions our old friend "Interest" must "die a natural death." Then in six lines he tersely states the economic truth about interest:

"This is not to say that interest, in the sense of the added production which the use of capital gives, would be eliminated, but merely that the added production would go to labor as wages, instead of to idlers as interest. Interest in its economic sense must persist and grow with the advance of science, invention, organization, etc., that is not in question; . . ."

And this is a definition of economic interest, which is the only kind of interest there is. It is a subdivision of wages in the broad sense.[1] Capital can be used only by being consumed.[2] Its use is but a mode of labor.[3] The rate of interest is determined by the proportion or ratio between the amount of labor spent in making a tool and the amount of labor spent in using up the tool in production. The same rate of wages must apply to both. If wages rise, interest will rise. If wages fall, interest will fall in proportion.[4] Borrowing has no relation to interest. It is earned at the same rate whether made by the user or borrowed from another.

What combatants on the interest question lack is uniformity of definition. "Make for thyself a definition," says Marcus Aurelius. Having made your definition stick to it, says Henry George.[5] We would then omit confusing capital with wealth and money with either. There is no such thing as "money interest" or "imperishable" money.

Money is neither land nor wealth, nor is it labor or capital. It earns nothing. Wealth in consumption or set aside (saved) for further consumption earns no interest. Idle capital earns no interest. Only capital that is actually consumed by labor in producing more goods for consumption earns interest and then in direct proportion to the labor spent in consuming it.

Many exactions loosely termed "interest" which are the fruit of monopoly, will indeed disappear with the abolition of monopoly. Usury or distress interest, so called, will tend to disappear, not because capital loaned is not entitled to interest, but because distress will disappear.

Mortgage interest on homes will tend to disappear, because a house used for a home is a labor product in consumption. It is used up in consumption and not in production of other goods as is a factory. It is only a larger overcoat that lasts thirty years instead of three years. Families will customarily own their homes without mortgage.

Interest on public debt will tend to disappear, because public debt will disappear. Public expenditures are mainly for immediate consumption to be paid for out of annual collections. "Debt service," now an ever increasing item, will disappear from the city budget.

With no field for investment except in products of labor, which are quickly perishable if not used, we will produce only to consume. We will "save" only so much as we find that it pays to do so in order to produce goods more easily for consumption to satisfy our desires—which we will always seek to do with the least possible effort.

N. Y. City. WALTER FAIRCHILD.

1. "Progress and Poverty," p. 203.
2. Ibid., p. 198.
3. Ibid., p. 198.
4. "Progress and Poverty," p. 199.
5. Ibid., p. 31.

LESSONS FROM HISTORY

EDITOR LAND AND FREEDOM:

It is encouraging to note that many of our scholastic economists are coming out solidly against the sales tax. Without a doubt, this tax is one of the most pernicious forms of taxation, for the whole burden of the sales tax is shifted to the ultimate consumers, the majority of whom constitute the poor working classes.

But most significant of all is the history of the sales tax, which was always seized upon by decadent nations as a last resort, as the following examples will show.

Gibbon (in "The Decline and Fall of the Roman Empire," Milman edition, Vol. 1, Chap. 6, page 159) relates that

"In the reign of Augustus and his successors, duties were imposed on every kind of merchandise, which through a thousand channels flowed to the great center of opulence and luxury; and in whatever manner the law was expressed, it was the Roman purchaser and not the provincial merchant who paid the tax. . . . .

"The excise introduced by Augustus after the civil wars was extremely moderate, but it was general. It seldom exceeded one per cent; but it comprehended whatever was sold in the markets or at public auction from the most considerable purchases of lands and houses, to those minute objects which can only derive a value from their infinite multitude and daily consumption. Such a tax, as it affects the body of the people, has ever been the occasion of clamor and discontent."

Or, take the case of Spain, which suffered such a commercial shock from the "alcabalas" or excise taxes that it has not yet recovered from them. According to the Encyclopedia Brittanica (Eleventh Edition, Vol. XXI, page 549).

"The great source of the treasury was the 'alcabalas' or excises—taxes of from 5 to 10 per cent on an article every time it was sold—on the axe when it was sold to the butcher, on the hide when sold to the tanner, on the dressed hide sold to the shoemaker and on his shoes. All this did not bear its full fruit till later times, but by the seventeenth century it had made Spain one of the two most beggarly nations in Europe—the other being Portugal." See also Adam Smith, in his "Wealth of Nations," page 718.

To use another example, take the famous Corn Laws of the reign of Edward III, enacted in the year 1360. These duties or taxes inflated the price of bread so high that they were very burdensome to the people, especially the poor. A crude poet, known as the "Corn-Law Rhymer," described the incidence of this bread tax as follows:

"England! What for mine and me,
What hath bread tax done for thee?
Cursed thy harvest, cursed thy land,
Hunger-stung thy skill'd right hand."

So unpopular did these Corn Laws become that Sir Robert Peel was forced, in 1846, to repeal them.

Pittsburgh, Pa. JOHN C. ROSE.

A FEDERAL LAND VALUE TAX PERMISSABLE

EDITOR LAND AND FREEDOM:

In reply to yours, "A Bill is Pending in Congress" and to the query of Robert S. Doubleday, Tacoma, Wash., I submit the following:

The late Jonas Miles of Brookline, Mass., lawyer, music publisher and confirmed and able Georgist, argued that George's proposal could be put into effect practically at any time in Massachusetts or by the Federal Government, by means of an excise tax upon the privilege of privately appropriating ground rent. Of course, if such tax amouted to the whole ground rent and all other taxes were abolished, Henry George's proposal would be practically in full effect. Miles said, and I never heard any one dispute it, that under numerous decisions of the Massachusetts Supreme Court as well as by the Federal Supreme Court, the State and Federal Governments were empowered under their respective Constitutions to levy an excise tax on a privilege; also, argued Miles, unless said courts were prepared to deny the authority of Blackstone, Coke and Littleton, as well as reverse themselves, they would have to declare that the private appropriation of ground rent was a privilege.

I understand that Jackson H. Ralston holds the same opinion.

I am not a lawyer, but the argument sounds reasonable to me.

Chestnut Hill, Mass. EDMUND J. BURKE.

WHAT MR. LOOMIS BELIEVES

EDITOR LAND AND FREEDOM:

In your Jan.-Feb. number appeared a letter from me in which I suggested the possibility, and in my opinion the probability, of lands having a selling value under the Single Tax. I quoted "Progress and Poverty" to show that Henry George recognized that this was at least a possibility. In your following issue Mr. Luxton took the position that any payment that might be made for land would not be a real selling value computed by capitalizing the economic rent. Mr. Luxton assumes that the Single Tax is to take 100 per cent of the economic rent. My contention is that the Single Tax as presented by Henry George does not necessarily involve taking the full 100 per cent.

To the quotation in my previous letter let me add the following ("Progress and Poverty," Book VIII, Chapter II, near the middle): "By leaving to landowners a percentage of rent which would probably be much less than the cost and loss involved in attempting to rent lands through State agency, we may, without jar or shock, assert the common right to land by taking rent for public uses."

Perhaps an illustration will make my meaning clear. I shall take