

to both parties. We also agree that nothing else than Single Tax is needed to make it just.

What is the disagreement, and how does it matter? The answers are: (1) Simply as to prognostications about what will actually enter into this automatically—just interest that Single Tax will secure; and (2) The effect of wrong prognostications in killing acceptance of the Single Tax remedy. This killing effect demands careful determination of the natural law facts on which our prognostications should rest. Henry George wanted no blind following; he and we want his remedy.

George based everything on natural laws,—on which all sciences must be based. He adopted interest as a natural law factor *because he thought* that natural values (of reproduction) entered into it as "the result of added efficiency due to capital." He found this "added efficiency" theory untrue and unjust in its application to tools, but failed to find that reproduction values are subject to the same natural laws of distribution which apply to other products. He qualified his statement that "wages and interest must rise together" by adding—"The interest ratio with wages being fixed by the net power of increase which attaches to capital." If natural laws permit none of this increase to go to capital, so that wages rise alone, then the complete science which he based on the natural values attaching to land is merely simplified.

When the diverted-rent which now falsely enters into present interest is eliminated by Single Tax, will any other natural value (that is value apart from individual labor) enter into it? If it will, to that extent it will be "the certain interest burden" we now have,—supporting such obligations as the "Perpetual Income Bonds" mentioned. If not it will inflict no such burden. Primarily we can and should determine the facts as to this. If natural laws distribute generally the natural values attaching to things, just as Single Tax will distribute the natural values attaching to land, we should know it and teach it, for it will remove a killing stigma from our cause. Nothing else can continue the menace of our present false interest.

Mr. Kendal refers to the moral theory that "it is not permissible for one man to do no labor and another labor to pay him interest," as requiring testing; and this is certainly true as to the moral theory that "equity demands a return to the lender," or that "added efficiency due to the use of capital belongs to capital." The important truth is that natural law facts furnish the proper test; for it cannot be questioned if we concede natural law morality, and that the facts are revealed to us "by ordinary observation."

We know that if "everybody" had capital (labor products—not "spurious"), the lender could demand little, and perhaps might have to pay for the safe keeping of his unused wealth. If the potential lender could convert his wealth into ownership of tools, or cattle etc., so as to secure their natural values, we would have to provide against such ownerships being monopolized. With natural laws actually distributing these values, Single Tax needs no supplementing,—it is "enough;" *the now plausible basis for Socialism, Communism, New Dealing—the fight against "Capitalism"—will be undermined.*

There is real urge on LAND AND FREEDOM and all Single Taxers to know and tell the truth as to this. Whatever else enters into true interest cannot make it unjust any more than the "profits and loss" of business enterprise can be unjust so long as they are subject to free competition, but we must appreciate that mere "somehow" theories are of no value.

Reading, Pa.

WALTER G. STEWART.

#### A NEW ENTHUSIAST

EDITOR LAND AND FREEDOM:

I want to congratulate you on your editorials in the last issue of LAND AND FREEDOM.

I am entirely in agreement with the letter of Robert S. Doubleday suggesting the observance of a Henry George day instead of the congress. This would make Sept. 2, the first such observance and plans should be started immediately. The large individual meetings

in important cities should have good speakers and their talks should be broadcast on a large hookup over the nation, thus more or less bringing all the meetings into contact with one another and serving the purpose of a single congress as well as doing much more good for the cause in general.

The letters of A. C. Campbell and A. Lawrence Smith were interesting to me as I believe in getting some concerted action. In the case of Mr. Smith's letter, I think that the "spot" to shoot the birdshot at is Washington, not some State or other. If you are going to bring down an eagle the best place to hit him is in the head or body, not a wing, a foot or tailfeathers! Let's hit this problem right on the head. I think that the work being done in California is great stuff and more power to Judge Ralston.

Radio is now the most effective means of advertising and the most powerful factor in forming public opinion. Partisan newspapers can suppress news but the radio can't. An advertisement in a paper is hidden away inside but a radio programme is on the FRONT PAGE with a streamer headline across the top. A national network programme cannot be missed in a single city, town or village in the country. There are millions of radio listeners. That is the key to our success. If the newspapers want to follow, O.K. Ignore those that don't, they won't be popular. The Hearst chain will be against it for W. R. Hearst has thousands of acres of land. Will Rogers will be against it for his hobby and sideline is land speculation. The brain trust will be "agin" us for the same reason (see Chas. B. Rogers' letter in Jan.-Feb. LAND AND FREEDOM). These opponents will be the biggest feathers in our campaign caps! They are some of the very monopolizers we will turn the people against in wrath. We will dig up the facts about how much land they have and expose every one of them. The people are going to tire very soon of all the sickly hit-and-miss fallacious palliatives and panaceas and the "frank experiments" of the administration. They are going to be sick of the patent medicine and want to perform a real surgical operation on our system to find the real trouble and cut it out and sew it up tight!

O.K. then. The line forms on the right. Lets get organized on the double-quick and get this job done.

I just read Frank Chodorov's wonderful article in the last issue of LAND AND FREEDOM. I therefore appoint him CHIEF HIGH MASTER OF PROPAGANDA, without even consulting him about it. He said that the leader will probably be crucified. If that is meant to scare, I'm not scared for I don't believe it. I therefore appoint myself CAMPAIGN MANAGER and will step aside for a vote when we get organized. Now it is up to somebody to appoint someone as TREASURER and at the same time to have him appoint a COLLECTOR (or two) OF INTERNAL REVENUE. By "internal revenue" I mean contributions, to get this started, from members already in the movement. If we can't get their support in DOING something then we had better forget Single Tax and go jump in the river.

I hope my enthusiasm will prove contagious. You see I am an aviator and an aviator is either QUICK or dead. Let's be quick before we're dead. I am also a reserve officer in the Marines. As a Marine I believe in ACTION. So let's have some QUICK ACTION! South Egremont, Mass.

JOHN M. MILLER.

#### INTEREST VIEWED BY A NEW ZEALANDER

EDITOR LAND AND FREEDOM:

The discussions that arise in connection with the validity of interest are becoming more numerous than has been the case in the past. Even Single Tax journals are printing controversies on the subject, and many followers of Henry George, of whom I am one, gravely question the right of any man, his heirs and assigns, to "sit down" and draw interest on his capital, *ad infinitum*.

This letter has been inspired by the reading of the discussion between Frank Stephens and John Luxton in your Nov.-Dec. issue. The latter defends interest on the plea that a lender of wealth is en-



titled to receive "a return" for the wealth he has placed at the disposal of the borrower, a proposition that no one, much less any Single Taxer, would be likely to deny. It has not occurred to Mr. Luxton that a lender may obtain "a return" without receiving any interest. Yet, that he may do so is easily demonstrated. If we think in terms of wealth instead of money, the position will be clarified. I contend that the making good of depreciation is "a return," and I believe it is the only return that can be justly claimed. If more is obtained there will always be those who can live on indefinitely in idleness, a condition which all Single Taxers should agree would be one of parasitism, and *ipso facto* contrary to justice which is the foundation of their creed.

If a man, who wears out a suit of clothes a year, makes himself twenty suits, these will not last him twenty years. The first will last a year, the second a little less, and the whole stock will clothe him for (say) nineteen and one-half years only. The odd half year is lost in depreciation. Now if he lends nineteen of the suits conditionally on receiving a *new* suit every year until the loan is repaid, it is clear that the wealth he created in the first instance will clothe him for the full twenty years so, although there is no *interest*, he still gets "a return" for his loan.

Mr. Luxton thinks he clinches the argument with his typewriter illustration, but his is not the last word. Suppose the owner of the machine has no present use for it and by loaning it obtains the return of the machine intact as it was when he lent it, has he not received "a return"? Would not the machine have suffered depreciation even if he had not loaned it? In this case a payment would have to be made to the lender to cover the invisible depreciation which it is impossible to make good by repair, but still there would be no *interest*. Supporters of interest invariably picture the lender as depriving himself of something that is indispensable to himself or his work, but the fact is that loans are usually made out of surplus wealth, represented, of course, by money. The key to the interest question lies, I think, in the system that turns perishable wealth into "imperishable" money, and thus places "capital" on the same permanent basis as land. The enormous wastage resulting from depreciation is thus camouflaged. If a man lends a machine worth £1,000 he gets "a return" until the machine is worn out; after that nothing at all. If he turns the machine into money and lends the £1,000 he gets "a return" for all time, under present conditions. The plain English of this is that after a certain limited period of time he, his heirs and assigns, levy pure tribute on current production, giving nothing in return, and are therefore mere parasites on the community.

Nevertheless I hold that nothing needs to be done about interest, other than the Socialization of Rent. The interest rate depends on supply and demand. George's plan would greatly increase the supply of wealth (and capital), a point I need not stress amongst Single Taxers, while it would, I believe, wholly eliminate the demand for loans. Our philosophy teaches that land-owners appropriate all surplus wealth, thus creating a "corner" in capital or money. The socialization of rent would prevent such appropriation, leaving the whole product of labor in the hands of the laborers. There would then be no need for the producers of wealth (capital and money) to borrow capital; they would use their own. Interest would thus die a natural death.

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; what is in question is the equitable distribution of what is somewhat loosely called the "national income."

Our case will be much stronger when we discard the defense of mere interest receivers. Socialists cry out against "rent, interest and profits." Profits are merely rent and (or) interest, so that our system, if I am correct, would give them all they ask, without the need of socialistic "planning," regimentation, dictatorship, etc. The

man in the street leans to socialism because he sees no difference between the interest receiver and the rent receiver. If we can convince him that the application of the Henry George plan will give to labor its full product we should get his support. We must fail in this if we sanction the receipt of interest by people who do no work.

I see a change in the attitude of most Single Taxers, and all Single Tax journals, in the direction of putting a question mark against interest, and believe the time will soon come when we will be united on this point, and show that George builded even better than he knew. Auckland, N. Z. C. H. NIGHTINGALE.

## SINGLE TAX CONFERENCES

EDITOR LAND AND FREEDOM:

Your criticism of the Single Tax Congresses has evidently started something. The current issue of LAND AND FREEDOM marks a very necessary manicuring of Single Tax intellects throughout the Georgist movement. It all recalls my early attempts, made many years ago, to have Single Taxers put salesmanship, business methods and organization into the Single Tax programme. It all emphasizes my recent unsuccessful attempt to again organize the Single Taxers of Massachusetts.

Personally I agree with you that a definite, business-like programme be laid down, upon which Single Taxers might well concentrate their time, money and efforts. Unfortunately, we are in the same predicament which came upon the constructors of the tower of Babel. In attempting to erect the Georgist temple of justice we find ourselves defeated by a multiplicity of notions, a great divergence of opinions, a variety of schemes, and an army of self-appointed leaders. Nothing could be sweeter for the vested interests. The monopolists do not need to give us a "licking;" we are defeating ourselves.

It all simmers down to the uncomfortable fact that ninety-five per cent of us are naught but philosophical anarchists. With most of us Single Tax is merely a subject for debate in parlors and other places where the limelight of attention may be played upon our anaemic faces as we harangue a handful of listeners. With some of us Single Tax is an excuse for attending luncheons at which the physical appetite is surreptitiously satisfied under the guise of feeding the mental appetite upon principles of justice. With a few of us Single Tax is a subterfuge for getting away from home and "taking a trip" to a conference, a congress, a "meetin'."

It is my conviction that most Single Taxers are simply lazy when it comes to working any muscles of their anatomy except those of their jaws. Show me any Single Tax organization and I'll show you one or two human horses in that association who are carrying all the load insofar as real work is concerned. The rest of the outfit invariably limits its activities to profound and puerile chatter and to the finding of jobs and programmes in which some one else does all the work. It is always a case of "let George do it."

Single Taxers simply cannot do team work. It is contrary to their eternal struggle for individual economic freedom, and this fundamental idea is so ingrained in their every thought that organization and cooperation, or any other form of limitations upon individualism, is repugnant to their pet theories. They have yet to learn that the very goal which they now seek through diversified channels and contrary notions cannot be attained except through organization and concentrated effort—unless, of course, the Creator steps in and establishes Single Tax in spite of us anarchistic Single Taxers.

Too few Single Taxers are willing to do the menial tasks of mixing mortar or carrying bricks to the foundation walls of the Economic Temple, except when it can be done within the depths of a cushioned easy-chair adjacent to a warm radiator or in a hammock under the shade of a sheltering tree.

As one of your correspondents has pointed out, those who attend congresses and conferences probably would not spend the same amount of money for other Single Tax purposes if said congresses were discontinued. However, there remains no valid reason why congresses