

The Philosophy of Freedom

An Open Forum for Single Taxers

THE ABOLITION OF INTEREST.

Editor Independent: In a recent issue of The Independent Wm. Heywood Buckley says: "I defy any man living to name, not a score or two, but ONE economic social ill which the abolition of interest would not cure." I have not saved The Independent containing Mr. Buckley's article, and therefore cannot criticize it as I would like, still I think I can point out at least one or two social ills that it (the abolition of interest) would not cure.

Mr. Buckley will probably admit that poverty is a social ill and I will undertake to prove that the abolition of interest will not cure poverty. If there were rich men willing to lend their money without interest they could do so, and if they were able and willing to supply all the money required by borrowers who had good security to offer for the return of the principal, interest would be abolished.

Would that abolish poverty? Interest is not the only tribute levied on production, rent would still exist, and as civilization advanced and population increased, the tribute exacted by the landlord would increase. As the usurers could no longer get interest on their money they would buy land with it, there would be far more land speculation than at present, rent would be higher, wages would be little if any higher, and poverty would still exist.

The abolition of interest would not give us a scientific system of money, trade would often be paralyzed for want of sufficient money to carry on an increasing commerce, and at other times we might have inflation. No one who objects to interest can consistently uphold rent, for no objection can be made to interest that does not apply with at least equal force to rent; while there are objections to rent that do not apply to interest.

Some people claim that all things are good, and that things that appear to be evil are good things misused. Whether that theory is true or not I think it is true of rent and interest. As long as we allow private parties to appropriate rent, we will have wealthy landlords living in idleness on wealth produced by others; while the poor will either be working for small wages, or be idle for want of opportunities. The remedy is for government to appropriate ground rent for revenue; it is a fund that belongs rightfully to all the people, and should be used for the benefit of all the people.

When this is done, rent, instead of being a social evil, will become a social blessing. The community has a right to rent, but it has no right to interest on money earned and owned by individuals. It has a right, however, to interest on money issued by the government. If the government would issue money at a low rate of interest, the whole people would receive a large revenue that now goes to swell the fortunes of bankers—who have no right to it; and the persons who would borrow the money would get it on better terms than they otherwise would.

Attempts have been made to regulate interest by laws prohibiting people from charging more than a certain rate; but such laws have always failed to accomplish the purpose for which they were passed. The rate of interest depends upon the supply and demand of money; and the way for government to regulate the rate of interest, is to increase the supply of money whenever the demand increases and to decrease the supply when the demand diminishes. This can be accomplished by fixing a low rate of interest and supplying the demand at that rate to all who could give good security. If that was done it would be unnecessary to interfere with individuals loaning money, for no one would be compelled to borrow from them at exorbitant rates, and they could never get more from people with good security than the government rate; but whenever there was a slight excess of money in circulation private parties would offer loans at less than the government rate, and so prevent inflation.

If this was done, interest, instead of being a social evil as it is at present, would, like rent under the single tax, become a social blessing. In fact, the two proposals are founded upon the same principles. I will quote Turgot's simile to show the benefits of low interest: "The rate of interest may be looked at as a kind of level below which all work, all culture, all industry, all trade ceases. It is like a sea spread over a vast country; the

mountain tops rise over the waters, and form fertile and cultivated islands. As the sea level sinks, the declivities of the mountains, then the plains and valleys, appear, covering themselves with produce of all kinds. It is sufficient for the water to rise, or fall one foot to inundate extensive shores, or to render them back to culture. It is the superabundance of capital which enlivens enterprise, and the low rate of interest is at the same time the effect and the mark of the superabundance of capital."

We could get along very nicely with a low rate of interest, especially if a good part of that went to the state for the benefit of all. There are some strong arguments in support of the justice of a moderate rate of interest, and I will finish by quoting a few short extracts from "The Ethic of Usury and Interest," by Rev. W. Blissard. He says of those who save a portion of their produce to aid future production: "He has labored in this non-destruction of what he might lawfully have destroyed and he has by so doing been instrumental in increasing the productiveness of future laborers. He has therefore a right to receive something more than the return of an equivalent to the food and clothing which he advanced. Also productiveness being increased there is a fund out of which he can without loss give the recompense. This is the foundation of interest on capital."

JAS. S. PATON.

Toronto, Ont.

Is There Room At The Top.

Cincinnati, O., June 5, 1904.—In discussing the question as to whether there is always room at the top, Mr. Herbert S. Bigelow, of the Vine St. Congregational church, said:

Other things being equal, of course, energy and ability will tell. The question is this: In the present social order do many reach the top by fraud or favoritism, and does merit, in many instances, go unrewarded? Who doubts that this is so?

Here is an object lesson—not a fancy sketch either: Mr. B., a friend of mine, 18 years ago was working for \$10 a week. He has the same job today, and in those 18 years he has had an increase of but \$3.50 a week. He has been sober, saving and industrious. A professional regulator of other people's lives could find no fault in him. With this wage, the husband and wife and children all working have managed to buy a little home. The oldest girl is working for \$2 a week. It takes all her wages, twelve weeks in every year, to pay the taxes on their home. This amounts in part to paying taxes on property that is not theirs, for they have to pay interest on a mortgage besides. The house is listed for taxation for more than they would be glad to take for it. Yet the street railroad company, to which this man has to pay 5c for a ride that is not worth more than 3c, is capitalized for \$20,000,000 and pays taxes on \$2,000,000. This is the way we practice the Golden Rule.

If Mr. Schwab's income is what it is reported to be, he gets over \$100 for every penny earned by the daughter of this artisan. It is not unheard of for a preacher to receive for a wedding service, which may not take over ten minutes of his time, as much money as it would take this girl from three to six months to earn. The man on top, who thinks he is worth so much more than his fellows, must have a good measure of self-esteem. Put he is no more remarkable than the man who will admit that he has not a dime in his pocket and has slept in freight cars for a week and still agrees with the thoughtless majority that there is room at the top. He might as well warm himself with the thought that there is room at the North pole.

No social order could be so vicious but that some would scramble to the top. Men of genius are able to look out for themselves. That society is tried in the balance and found wanting which does not say to the man of average ability, and even less than that, yea, even of "the least of these" my brethren—the men who are willing and content to do some useful work, without any ambition to get to the top:

"They shall not build and another inhabit;

They shall not work and another eat."

Always room at the top; indeed! So said the priest and the Levite to the wounded traveler. "There is plen-

ty of room on our side of the road," and passed by though humanity lay bleeding by the roadside.

Slave of Mammon, sit in your office and count your profits. Blow away your obligations to humanity like a puff of smoke. Swagger at your clubs. Subscribe your thousands to charity. Sneer at truth. Snarl at justice. Your soul, like the soul of Carker, lies in ashes.

SPECIAL MARKET LETTER

FROM NYE & BUCHANAN CO., LIVE STOCK COMMISSION MERCHANTS, SO. OMAHA, NEB.

Cattle: We sold a bunch of cattle Tuesday for Mr. A. W. Sprick of Fontanelle, Neb., at \$6.10, the highest price here for a year and a half. Prices have advanced a notch every day till Wednesday and the market is \$1 to \$1.40 above the low time of the season. There were fears of a heavy run this week, but so far it has not materialized here. Chicago had 22,000 Wednesday and broke 10 cents.

We quote good choice corn-fed steers \$5.50 to \$5.90, (extra choice up to \$6.10), fair \$5.00 to \$5.40. Good fat cows and heifers \$4.40 to \$5.00, fair cows \$3.75 to \$4.30. Canners \$2.50 to \$3.00. Steer stock calves \$3.80 to \$4.25, heifers \$1.00 to \$1.25 less. Veal \$4.50 to \$5.50. Bulls \$3.50 to \$4.50.

Sheep: Market strong. Little doing.

Hogs: General tendency for the past week is higher. Range \$4.50 to \$4.80.

Free Farms Of 640 Acres Each.

The new law providing for homesteads of 640 acres after July 1 in Nebraska, is attracting wide attention and people are coming to this state to avail themselves of this very liberal offer from all the adjoining states.

Here are the conditions: The best lands have been taken, but much of the land heretofore taken is for sale very cheap, and by buying a quarter, half section or even a section, it will enable any one seeking something of this kind to secure as homesteads, and joining that which they buy, from one to a half dozen homesteads of 640 acres each.

We offer the following, which is a sample of the many bargains we have of this character: 320 acres deeded on the Middle Loup river, 240 acres of this is on the bottom and is first class alfalfa land, frame house of four rooms, frame barn for eight horses, buggy shed, cattle sheds and corrals, well and wind mill, 3 1/2 miles of fence, has 1/2 mile of river front, joining this are three homesteads to be taken of 640 acres each that produce as fine grass as could be desired for stock; this bargain is located three miles from town on the B. & M. R. R. The price of this farm and ranch is \$1,800, the improvements alone cost \$1,000.

We have along the Loup rivers a great many just such bargains with government land adjoining, and if parties buy of us we will assist them in getting homesteads if desired. These bargains cannot be bought for these figures after the new law goes into effect.

If you want anything of this kind write or come and see us at once. We can accommodate you.

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50 Favorite Songs:

For one dime I will send you post-paid a collection of 50 Favorite Songs, words and music. Just the thing for social gatherings. C. J. Brown, Battlett, Neb.

Less Than Half Rates

On Mondays, June 6, 13, 20, and 27, the Burlington offers tickets to St. Louis and return at \$9.25, good for seven days—considerably less than one fare for the round trip.

Tickets are good in coaches and chair cars. (Seats free.)

The magnificent exposition is now complete and in harmonious operation.

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Interesting Information.

Mr. W. C. Shinn has issued an interesting and instructive pamphlet in relation to the laws and nature of lightning. It deals with the subject scientifically and is written in a style

that all who read can understand. Mr. Shinn is authority upon the subject of lightning and X-Ray machines. He is proprietor of the largest factory in this part of the country for the manufacture of X-Ray machines and copper cable lightning rods. His pamphlet is splendidly illustrated, showing the wonderful possibilities of the X-Ray machine and its many uses. The pamphlet is free to those who ask for it. Address your request to W. C. Lincoln, Neb.

PAYS 20 PER CENT YEARLY.

There is no class of investment so satisfactory as dividend paying stocks in substantial corporations. Such stocks as a rule cost money, but that is true of anything worth having. Stocks that can be bought for nearly nothing generally are totally worthless. But such is not the case with the stock of corporations formed for a definite purpose and the legitimate of a marketable article.

In this issue Independent readers are offered an opportunity to buy stock in the Dixie Plantation Co.—a company for the operation of a thoroughly equipped cotton producing plantation. The plantation earnings in the past have been large and will continue to be large. The south is now beginning to develop and the plantation of 2,200 acres in Louisiana will fast increase in value. In the same ratio every share of stock in the corporation owning the plantation increases in value. This increase would be profit over and above the annual dividends. As a stock investment readers of The Independent cannot do better than to subscribe for shares in the Dixie Plantation Co. at \$10 per share. The stock is limited in amount, only 4,500 shares remaining to be sold and will not be on the market long. Ten per cent of the amount subscribed for (\$1 per share) must accompany the application and the balance will be due December 1. The Independent recommends this stock to the favorable consideration of its readers.

Homesteads In Rosebud.

lands are to be opened in July. Full particulars as to dates and places for registration and places for drawings and final entry, requirements of the U. S. homestead laws, maps, etc., are contained in a pamphlet "New Homes in the West," issued by the Passenger Department, Chicago & Northwestern Ry. Call on any ticket agent of the Northwestern Line, or a copy will be mailed to any address on receipt of two (2) cents in postage by

R. W. MCGINNIS, Gen. Agt.,
Lincoln, Neb.

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