

The Philosophy of Freedom

An Open Forum for Single Taxers

IN RE ROEBUCK.

Editor Independent: In your issue of July 7 Mr. Walter H. Roebuck criticises my article in The Independent of June 9. He objects to my statement that "the rate of interest depends upon the supply of and demand for money;" but he does not attempt to tell us what it does depend on.

It is always easy to get up a hair-splitting argument that does not lead anywhere, and it seems to me that a good part of Mr. Roebuck's argument is of that kind. Because money is used to buy capital, or wealth, he claims that interest is paid for the use of wealth, and not for the use of money, in spite of the fact that money is actually loaned and the money lender receives interest. Credit may be obtained in other ways than by borrowing money; still a great deal of credit is obtained in that way, and many able writers agree that the rate of interest depends upon the supply of and demand for money.

On what else can it depend? Mr. Roebuck claims that interest is really paid for the use of wealth; but he surely does not claim that the rate of interest depends upon the supply and demand of wealth. If there is an increased demand for a certain line of goods, it is the price and not the rate of interest that rises.

Mr. Roebuck says: "Money is simply a medium of exchange." It is more than that; it is a measure of values, and as such should always be of the same value; and he has not shown that my proposal to supply the demand at a fixed rate of interest would not have that effect. He admits that "the government being backed by the wealth of the country, is gilt edge security," yet farther along he says: "Will it not be found that when the government goes into this sort of thing its credit will fall, and the dollar bills it issues will not be considered sound and will not be of as much value as they are today?"

That would happen if the government was to issue more money than was needed, but it could not happen with the plan I propose, because private parties could lend money at any rate of interest they could get, and whenever there was less demand for money than usual they would offer to lend money at less than the government rate, and there would be less call for government loans. Mr. Roebuck has not proved that my proposal would depreciate the currency; consequently it is not fair to assume that the evils resulting from a depreciated currency would follow if my plan was adopted.

JAS. S. PATON.

Grimsby, Ont.

(Technically, no doubt, "interest" is payment for the use of wealth—whether capital or not—as distinguished from payment for the use of land (rent), or the use of human energy (wages). But a little thought will show that there is interest and interest.

When I hire a horse and buggy for a day and pay therefor the sum of \$5, part of that sum goes to reimburse the livery stable keeper for his own or hired service in caring for the horse, keeping the buggy washed and oiled, etc.; but part of it is payment for his investment in the horse and buggy and, therefore, "interest." When I hire a horse and cultivator to use in working my garden, a similar state of affairs exists.

So when I borrow \$5 at the bank—or from a chattel mortgage shark—I pay "interest" for the use of the \$5.

But the fundamental difference comes in here: In either case respecting the horse, and the buggy or cultivator, these articles of wealth are subject to deterioration and decay. When I return them to their owner after the day's use is over, they are one day older and one day nearer final dissolution. There must, in the very nature of things, come a time when the horse will die; when the cultivator and buggy will go to the scrap-heap. So that the "interest" I pay for use of such articles of wealth is really the purchase price of a temporary sale of the same.

Not so in the case of borrowed money. I am not obliged to return the specific coins I borrowed, but what I do return must be just as good, just as "young," as those I received. Although a given coin will ultimately wear below the limit of toleration, the loss never falls on the man who loans it. The money lender's "capital," like the tree and truth, is ever young. It never wears out. The borrower does not stand in the light of a temporary purchaser, paying for his share of deterioration and wear and tear, but the

"interest" he pays is tribute, pure and simple.

Whether Mr. Paton's plan is the best one, is debatable; but he is headed right. The coinage, issue and control of money now being in private hands (since the Sherman silver has all been coined), substantially every dollar which gets into circulation has a usury string tied to it, which enables the person who let it out of his possession to eventually pull it back again into his possession, not only as good and new as it ever was, but also dragging back with it another one like it—or its equivalent in wealth, which the recipient did not earn or make any sacrifice whatever to entitle him to receive it.

In the case of the horse and buggy and cultivator, it is impossible for the borrower to return the wealth he uses as good as new—therefore, he should bear his proportionate share of its deterioration. And such "interest" is wholly justifiable. But in the case of the coined money, the lender suffers no loss whatever; and such "interest" is usurious and wholly indefensible from the standpoint of justice.—Associate Editor.)

Toledo's Mayor.

Cincinnati, O., July 17, 1904.—At the Vine Street Congregational church Jones. Mr. Bigelow said in part:

With the death of Mayor Jones, this morning, the pastor, Herbert S. Bigelow, spoke on the ideals of Mayor most unique feature in American politics has passed away.

Mark Hanna and Sam Jones. In these two personalities were summed up the opposing forces of the age. The golden rule or the rule of gold.

On Ohio soil were produced these masterful spirits; the one believing in the supremacy of money and organization; the other believing in loving justice and freedom; each achieving in his way extraordinary success and leaving upon his generation an unmistakable impression.

Politics and business; in this dual kingdom Hanna reigned. In statecraft and in commerce, Hanna's god was Jones' devil. A sharper contrast were scarcely possible.

In politics, Hanna was the boss and Jones the bolter, each without a peer. Hanna demonstrated what money could do with the aid of a subsidized press and a powerful machine. Jones showed the world how a single man, when once he has the love and confidence of the people, can win victories without money and in spite of machines and in spite of papers.

After he had served three terms as mayor, the politicians and the newspapers and the franchise grabbers and the preachers joined hands and said: "We will put an end to Jones."

There was but one English paper in the city that would publish the news that he was again a candidate, and this notice was paid for at advertising rates. It was a conspiracy of silence. The newspaper readers could not have learned from the papers that a campaign was in progress.

Without a party, without a paper, he made his appeal direct to the men in the street. His son played the cornet and he talked and sang with the people his own homely songs. It was not a political campaign. He asked no man for his vote. Rather it was the preaching of a new and strange evangel. The people knew that the politicians were not worthy to unloose the latchet of his shoes. They heard his message gladly. He came out of the contest with almost as many votes as his three opponents combined.

The defenses of plutocracy are like wooden blocks before any man who comes upon the scenes at the psychological moment, commanding the confidence of the people. Men will arise as the times ripen and what has happened in Toledo will happen in the nation. The shout of the people will shake the foundations of monopoly and these new-made thrones will come tumbling down.

There are many who feel that Mayor Jones lacked a definite philosophy and program, and that a more practical man might have turned his victories to better account.

But to know the man was to feel the nobleness of his aims and the intensity of his democratic nature. He once told me that he ate with the men at the shop as often as possible because he wished to avoid being waited upon by the servants in his home. He would not interfere with the ways of his family, but the big house and the servants were luxuries which he could not endure. The miseries of the poor

were always on his conscience. More and more his life became a vicarious atonement for the social sins of the world. Humanity's yoke he felt with crushing weight. He always seemed to me like a man whose heart was breaking with the sorrows of the race. It was broken at last and the weary and heavy-laden have cause to mourn.

The Open Shop.

Editor Independent: I have been reading your paper of June 30 and I like much that J. H. Calderhead says.

Of course, he doesn't understand the Colorado situation and we will have to excuse him. The strike was a sympathetic strike and not justifiable. Previous to the soldiers going there, many non-union men were beaten up by the union men and their lives were in jeopardy. One man was called out of his home and killed; then 13 non-union men were blown up.

Was it not time to act? Was not the whole union more or less guilty? They never protested or denounced the assaults on non-union men; but on the streets talked of driving them out, that they were "scabs," and ought to be killed, etc.

Justice should be the watchword and there should be demanded by you and every editor the right of any man, union or non-union, to belong to a union or not, and to labor for his daily bread. And that there be an open shop for one and all who want to work.

The papers of the United States, it seems to me, are doing more damage than good in many cases by creating strife between capital and labor. Capital and labor should go arm in arm. Preach and teach that.

C. L. SCHELLENGER.

Omaha, Neb.

(Mr. Schellenger's test seems good theoretically, but its practical application would be something like—

"The young lady of Niger
Who went out for a ride on a tiger."

"Capital and labor should go arm in arm," says Mr. Schellenger. He is sincere in that belief, as are thousands of others. It has grown up in the past forty years. Yet in 1861 Abraham Lincoln said:

"Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration."

Why then should the superior be asked to go "arm in arm" with the inferior?

The Independent deprecates violence and bloodshed, whether caused by laborers or capitalists, but the "open shop" question is one upon which much can be said. Much is said about the "rights" of the non-union man to "labor for his daily bread," but the rights of the union man seem to be lost sight of. The strike-breaker usually—not always—is a man who is quite willing to reap where he has not sown. He is willing to profit by the higher wages which come from unionism, but unwilling to contribute his share to bringing about such higher wages. A man may have an undoubted, indefeasible right to be a boor or bore, but that does not call for admiration or respect for the man.

—Associated Editor.)

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ARTICLE OF INCORPORATION

Nebraska-Texas Company.

Article I

The name of this corporation shall be Nebraska-Texas Company.

Article II

The principal place of business of this corporation shall be Lincoln, Nebraska.

Article III

The general nature of the business to be carried on by this corporation shall be to buy and sell real estate, merchandise, cotton, cotton seed, timber, lumber, wood, fruit, vegetables, live stock; to buy and sell or own and operate factories, cotton gins, saw mills, sugar mills, oil mills; to own, control and operate railroads, tramways, water transportation lines and the necessary or desirable equipment to operate same; to borrow money and mortgage real estate and personal property to secure payment thereof.

Article IV

This corporation shall begin business when these articles are filed in the office of the secretary of state of Nebraska, and shall continue until dissolved by the stockholders representing a majority of the stock.

Article V

The capital stock of this corporation shall be one hundred thousand dollars, divided into one thousand shares of the par value of one hundred dollars each, of which thirty-two thousand dollars is paid for by the transfer to this corporation of a tract of land (approximately six hundred acres) located within the state of Louisiana on which there is still due ten thousand dollars, which amount of indebtedness this corporation assumes in taking over the property. The residue of the capital stock or any portion thereof may be issued at such time and under such conditions as the board of directors may determine. All paid up stock shall be non-assessable.

Article VI

The highest amount of indebtedness to which this corporation may at any time subject itself shall not exceed two thirds of the paid up capital stock. All or any part of said indebtedness may be represented by notes or bonds of this corporation, and may be secured by mortgages on its property.

Article VII

All the business of this corporation shall be under the management and control of a board of directors which shall consist of seven members. The directors shall be elected by the stockholders at their annual meeting and shall serve one year and until their successors are elected. Should a vacancy occur in the board of directors same shall be filled by special meeting of stockholders. The board of directors shall elect from their own number a president, vice president, secretary and treasurer. The secretary and treasurer may be one person. The board of directors may appoint such other officers and employees as they may deem necessary. All conveyances of real estate shall be signed and acknowledged by the president and secretary and shall be attested by corporate seal.

Article VIII

The board of directors shall adopt such By Laws rules and regulations for the more complete management and control of the affairs of this corporation as shall in their judgement seem best.

Article IX

These articles may be amended at any annual or special meeting of the stockholders by a two thirds vote of the paid up stock.

Signed

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