

have said elsewhere, a low rate of interest, consequent upon making active the fixed capital, will intensify competition and will wipe out monopolies. Then will the employer and operative, work together in perfect harmony.

There is a world of interest bound up in the just and fair distribution of property. Surely man, puny man, with a full purse, was never made to lord it over his fellows; no, not for ever; his reign must soon cease. The lowliest mortal or member of the race has a higher destiny here, than is prophesied of; but his character is hidebound and degraded by a distribution of goods made at the instance and command of a negative, a false economy.

"Progress and Poverty" is the title of a book remarkable at once for strong assertion, and impotent reasoning, by Mr. Henry George, an American Communist. He advocates vesting the lands in the Government, and requiring it to let the farms, and collect the rents, as a revenue; a cool suggestion you will say, but he backs it up with a show of reason:

First; he claims that wages are not paid out of capital, but out of the product of labor; and infers the laborer is entitled to all the product. That extraordinary assumption forms the leading argument of the book. The author forgets that although all wealth is the product of labour, nevertheless said labor is divided into two parts; labor active, and labor stored; that is—labor and capital. The goods manufactured are properly the product of both combined; therefore the capitalist is entitled to interest for his investment. If the laborer objects to pay interest, why does he allow the capital to get out of his own hands into the hands of others?

Second; he makes the bold assertion that "all the bank notes, bonds and mortgages might be destroyed without affecting the wealth of the community." As well might one argue that the destruction of all the implements of agriculture would not affect agricultural wealth. The notes, bonds, &c., are the instruments of trade; and the trade would be paralyzed were the instruments destroyed. In that case where would be its productive power?

Third; on the land question. Land, labor and capital are the elements of industry. What is there in land as a possession, but the capital invested? And what is rent but interest for the investment? The land question is therefore the capital and labor question; and the less interest the laborer pays for the use of capital the greater will be his earnings. As to vesting the titles to land in the Government, why not also the titles to wood, iron, wool or any other commodity? Persons who imagine that a land title is any more important than property in anything else, may ask themselves the question. What would be the use of a farm without the tools to cultivate it? Clearly, Mr. George has got beyond his depth; but he amply makes up for his deficiencies in Political Economy by the audacity of the highwayman, and demands: "Stand and deliver!" Communists are sure to haul up in lawless company.

REPLIES TO CRITICS.

The following criticism of a lecture delivered in Montreal on Banking and Business appeared in the *Journal of Commerce*, August, 1889. I give the re-