

of communism. I suggest that he read, "Rebel, Priest and Prophet," the life of Dr. Edward McGlynn.

H. ELLENOFF in the *Commonweal*.

JOHN JAY CHAPMAN ON HENRY GEORGE

The last chapter of George's book, "Progress and Poverty," where he gets to describing the New Jerusalem of Single Tax, with fruit trees growing in the streets—no courts—no crime—no poverty—are really so much like Don Quixote that I was startled. He is rapt. He is beyond reach of the human voice. He has a harp and is singing—and *this* is the power of the book. It is preposterous. It is impossible. It is a romance—a rhapsody—a vision—at the end of a long seeming scientific discussion of rent, interest and wages—in which discussion his *destructive* criticism of other people must be admitted to be very strong—conclusive—but which leaves his own work subject to his own criticism). This burst of song, being the only lyric poetry of this commercial period, is popular.

From "John Jay Chapman and His Letters." Page 174.

BOOK REVIEWS

A GRAND OLD MAN

FRANCIS W. MAGUIRE

"Philosopher and Reformer. By John C. Rose. 133 pp. Price, \$2.00. Illustrated The Rose Publishing Company, Pittsburgh, Pa.

We are not likely soon to forget this veteran of the movement for nearly fifty years.

There have been more spectacular figures for economic emancipation. But this modest, unassuming servant of the cause had few equals. Few have given of themselves so ungrudgingly. To have distributed literally tons of literature and to have accompanied such distribution with wise counsel and interpretation will not seem as important as the noisier activities that command the front page of newspapers. But it was engineering work such as is demanded of those who must break ground for the advance. And to this task Maguire brought a thoroughness and devotion that set him apart with those who are doing yeoman work in rearing the structure that is being built for the benefit of posterity.

Nor must it be thought that this activity comprised the limit of Maguire's service to the cause. Mr. Rose has told of his organizing work which along with those who labored with him gave us the Henry George Foundation and the still flourishing Henry George Club of Pittsburgh.

He did not have the advantages of a higher education but he was a persistent reader and he had the faculty of epigrammatic statement, samples of these are presented in Part II of the work.

Maguire, like all large-minded men, was of a tolerant spirit. His philosophy had taught him that man was innately good and that the meaner traits so often exhibited were born of the exploitation and tyranny to which he had been so long subject.

The writing of this book was a labor of love. Mr. Rose admired Maguire and he has furnished us with an affectionate tribute to his memory. We are glad to welcome it.—J. D. M.

HOW NOT TO GOVERN A STATE

A Financial History of Maine. By Fred Eugene Jewett, Ph.D. 12 mo., 233 pages, Columbia University Press, New York City.

"Come with me and I will show you with how little wisdom mankind is governed," said the Swedish statesman. Come now with Professor Jewett and observe with what insensate folly the affairs of a state are directed. We doubt not that the financial history of Maine is paralleled by the history of nearly all the states. But it is with the State of Maine that we are concerned at the moment.

As far back as 1784 Maine and Massachusetts were united as an integral part of the Union. The question of separation began to be agitated, and it is interesting to observe that differences in the imposi-

tion of taxes were the cause of this agitation. But it was not until 1820 that separation was finally effected and Maine became an independent State.

Nearly one-half of the land of the new State was public land. We are reminded by Professor Jewett that speculation in Maine timber lands in 1833 rose to "fantastic heights." The revenue from the sale of public lands as recorded by the Land Office exceeded in that year the sum of all the taxes.

For a time Maine lived like a drunken sailor on the sale of its public lands. So large was the revenue from this source that in 1835 the State tax on estates was abandoned, which served further to intensify the land speculation mania. It doesn't seem to have occurred to any one in authority that the real remedy would have been a tax on the rental value of these lands. But they were no wiser in their generation than we. Then came the panic of 1837, the inevitable consequence of the fiscal policy followed by Maine and the rest of the Union.

Then Maine started on an experiment in "farm relief" with the usual disastrous results. An Act was passed in 1837 granting a bounty of two dollars on every twenty bushels of wheat. This experiment in "priming the pump" cost the State \$153,981.75 in 1839. We must bear in mind that the sum bears little relation to the vastly greater sums we are accustomed to think of in the days of Franklin Roosevelt. But it was large for the time.

When Maine went on its drunken spree on the revenue derived from the sale of its public lands it was obvious enough that the time would come when there would no longer be any public lands to sell. By 1856 most of the best timber lands had been sold and receipts from this source had become negligible.

Then began the hunt for "new sources of revenue." How familiar sound the words! The State obstinately refused to avail itself of direct taxation. For nearly a century the stupid politicians of Maine had set their faces like flints against any form of direct taxation. There were constantly recurring deficits and constant increases in taxation to meet these deficits.

A Permanent School Fund had been established in 1828 and thus Maine was able to add substantially to the revenue for education. If some more reasonable modification of this plan, which at least recognized the State's right to its public lands, had been adopted Maine would never have needed to raise a penny from direct or indirect taxes. But Maine like most of the states was only piecemeal wise.

With what wisdom the finances of the State were conducted may be gathered from the fact that the State debt in 1913 was \$269,000 and in 1936 was nearly thirty million!

All the evils under which the State suffered can be traced from the time when it began to squander its natural resources. Professor Jewett tells us that in the sales of half the public land of the State a relatively small proportion passed to actual settlers. Most of it was sold in large tracts. Massachusetts had passed a law providing that no more of its public lands should be sold but that permits to cut timber should be issued and that the land be retained in perpetuity—another partial recognition of a better social policy.

In the meantime recurring periods of land speculation went on at an appalling rate. Professor Jewett quotes Hugh McCulloch, Secretary of the Treasury in the administration of Lincoln, Johnson and Arthur, as follows:

"The wildest speculation that has ever prevailed in any part of the United States was in the timber lands of Maine. In 1832 it became known to people in Massachusetts that a great deal of money was being made by a few investors in Maine timber lands. . . . The lands were offered by the State at very low prices and those who bought early and judiciously did make what were then considered large fortunes by their investments. . . . Lands bought one day were sold the next day at a large advance. The lands were bought and sold over and over again, until lands which had been bought for a few cents an acre were sold for half as many dollars. As is always the case where speculation is rampant

and inexperienced men become speculators, dishonesty was in the ascendant."

By the end of 1853 the most valuable lands had been sold and with the grant of 700,000 acres to the European and North American Railroad in 1868 practically all of Maine's timber land was gone.

So closes one more tragic state history of which our annals are full. And again we revert to the comment of the Swedish statesman quoted at the beginning of this review and thank, too, Professor Jewett for his confirmation of the truth of that comment.—J. D. M.

Correspondence

STEVEN BYINGTON CONTRIBUTES A FEW WORDS ON INTEREST

EDITOR LAND AND FREEDOM:

As to the theory of interest, Henry George had the right idea when in "Progress and Poverty," he took Bastiat's illustration of the plane and the planks and worked it out arithmetically. But he made a slip in not noticing that capital is useful, not only in making other products, but in reproducing itself. Take George's figures, add to them the point that the man with the plane can make a new plane in less time than a man without a plane would need for that job, and George's computation will then give you the basis of interest at once.

Ballard Vale, Mass.

STEVEN BYINGTON.

A NOTE ABOUT DICK STOKES

EDITOR LAND AND FREEDOM:

Dick Stokes, steam shovel salesman extraordinary, Oxford product, attracted the interest of the Henry George Foundation of Great Britain through his outstanding purchases of "Progress and Poverty." It seemed that he had absorbed the philosophy of Henry George through one of his professors at Oxford and bought quantities of "Progress and Poverty" for distribution on his travels of about 40,000 miles a year about the world.

After the first evening of the London Georgeist Conference of 1936 Miss Helen Denbigh and the writer spoke on the HGSSS. Mr. Stokes, or Dick, as he soon became over Scotch and Soda (without ice, thanks, though he had an electric refrigerator), expressed keen interest in the School methods as a means of teaching the Empire those broad principles of life which he had learned from "Progress and Poverty."

From that first evening there was no effort spared by R. R. Stokes to promote the active interest of delegates of every country (and particularly those of his own Great Britain) in establishing HGSSS. The charm and taste of his bachelor home and the generosity of his lunches, dinners and cocktail parties, helped no end to interest delegates in learning more about what the Henry George School could do for their own communities.

Success to such a warm friend of the HGSSS is a thrill to every Georgeist; Mr. Stokes' election is a member of Parliament was signaled by the starting of HGSSS classes in his constituency, and our hearts go out to him in his programme to enact the principles of Henry George into British law.

N. Y. City.

LANCASTER M. GREENE.

WE THINK MR. BAILEY IS IN ERROR

EDITOR LAND AND FREEDOM:

In the letter-discussions of the subject of interest, let us hope that the result will be a clarification of the Law of Interest, if there is such a law, to the end that the Science of Economics will be rounded out and made definitely stronger in principle.

We start off with two factors, viz., land and man. Man applies labor to the land and gets food. This is the natural reward of his labor and is called wages. If he acquires by this labor, a surplus, it is called wealth. Out of this simple process we get the principle. "That all wealth is produced by labor applied to land."

This principle should preclude any such thesis that this wealth,

which came into being as the wages of labor, could of itself produce other wealth which would not be the wages of labor. L. D. Beckwith says that a calf is half interest and that growth is also largely interest. If this is true (with other claims that when wealth becomes capital it naturally and ethically produces other wealth in the form of interest), then we will have to place interest along with man in the trio of factors which form the basis of economic science. This will give us land, man and interest. This assumption also alters the first principle to read: "All wealth is produced by labor and capital," applied to land.

So, too, we must revise our concept of rent. Rent does not arise from natural differences in the productivity of land. It does not arise at all until society is organized. Some form of social organization must precede the appearance of rent. After this is done, rent becomes the measure of the advantage a location gives to exchange. This location may be given added advantages in the form of public service, but it is this advantage in exchange that determines rent. Exchange is the determining factor in any form of society. Civilization itself is determined by the freedom and ease of exchange and degree of exchange facility.

Again, land itself does not generate rent. It is location. The amount of rent is then automatically determined by the facility with which exchange can be carried on. That exchange is then determined by the degree of social organization. This puts society in the role of sole claimant to rent.

That any other value, or product, arises from the use of capital than wages and replacement, seems improbable. If we remove privilege and allow labor its full reward, we would be unable to locate any return to capital as a producing factor.

Patent rights and other forms of privilege distort our vision, and the ever present element of land monopoly gives us so false a premise that we easily get off the course of logical thought. The entire advantage in the use of capital, if used under free conditions, would go to the consumer of the product, and not to the owner of the capital.

Del Rey, California.

E. O. BAILEY.

FISKE WARREN, "ENCLAVIAL GEORGEIST"

EDITOR LAND AND FREEDOM:

"What can the Henry George School of Social Science do for the enclaves?" This query in many forms, was the constant thought of Fiske Warren at the 1936 Georgeist Conference in London. I had met Fiske the year before in New York, at the Henry George Congress, where he heard much of the vigorous young institution, but seemed only mildly interested.

This retiring and lovable man sought me, as delegate of the School, before breakfast, for lunch, tea or dinner, to ask questions about this School which had aroused his interest. He finally decided that the HGS was safe for the enclaves, whether or not members should decide to change them to bring them more in line with Georgeist philosophy. Ignorance of Henry George's works on philosophy and the science of political economy, had allowed room for the most remarkable rumors concerning the enclaves. It was said that the low rents and taxes of residents was due to charity on the part of Mr. Warren, or on the other hand, that enclaves are a very subtle money-making scheme.

We became warm friends in the course of two weeks in London, and Fiske invited me to come to Tahanto, the enclave in which he lived and had the most active interest. In the light of the full moon (this is customary meeting time), I met the members of the enclave. At the close of the meeting twenty-seven members enrolled for a HGS course in Fundamental Economics and Social Philosophy. The difficulty of obtaining teachers is now offset by the smooth efficiency of the Correspondence Courses; there will undoubtedly be greater interest than ever since the loss of Mr. Warren's leadership and guidance forces members to try to understand the management of enclaves thoroughly themselves, both as to immediate details and as