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 signalized 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