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Nov 20, 1942

Lawrence K. Greene,
50 Broad St., New York,
My dear Greene:

Mr. Goldfinger, in discussing with me the recent conference at which he, Mr. Dorn, Mrs. Carter, Miss Behrens and you were present, told me something that causes me great anxiety; - that you took the position that personal services fall within the scope of wealth production, and therefore within the field of political economy. You may have sometime intimated this to me, but even if so its importance did not impress me as it now does.

As you know, I am no respecter of authority. Therefore, in pointing you to the way in which Mr. George reversed himself on this question my purpose is, strictly, to impress you with the importance of making studious comparison between his position when writing E.S.P., and that taken fifteen or twenty years later, when he had discarded some of his (few) glaring errors. In E.S.P. he states that private personal services are a part of production of wealth; but if you will turn to Chapter 18 of the Science of P.E. (pages 301/302, Memorial Edition) and to his other references to the subject in the same treatise, and follow the reasoning there, you must, it seems to me, comprehend why he reversed himself. - and that you are making a grievous mistake in holding, and especially in teaching, an untruth that Mr. George discovered to be such, and regarding which he had the courage to reverse himself. In the above reference, page 302, Mr. George says, after having held, in E.S.P., that the exact contrary, that:

"Thus, the barber, the singer, the physician, the dentist, the actor, do not produce wealth (italics mine); but direct satisfactions." and again, in Vol. 2, page 325:

"And so, those who in the cooperation of efforts in which civilization consists, devote themselves to such occupations - boot-blacks, barbers, musicians, teachers, surgeons, nurses, etc., do not, strictly speaking, take part in the production of wealth."

But one does not need George's reasoning. If you will concentrate your own reasoning on the subject, you will see that to hold that personal services are a part of production, of wealth, (and wealth is the exclusive subject of study in the field of P.E.) - see your definition of what P.E. is) is to flatly contradict your own definitions of labor, wealth and wages. New definitions of these terms are would be necessary. In order to obviate inconsistency.

You might like to do this concentrating; or, you might prefer to have someone visit your class, ask a question ~~xxxxxx~~ the answer to which would permit you to your present views on the subject, then ask you for your definitions of wealth, labor and wages, and then turn you inside out before your students. If you would like this, and if the invitation were received, I might consent to furnish the needed cooperation.

What caused me the greatest anxiety is: that the school, which advertises itself as one that teaches an exact science, to the extent that it touches the views on this subject that are held by you, is exposing itself to the fevered criticism and derision of those who are thoughtful enough to ferret out inconsistencies and who will not tolerate them. Inconsistencies cannot but sap the foundations of a school that professes to teach "scientifically", the inconsistency

particularly disoussed herein is fostered by the School's Manual, and will be constantly disseminated by those teachers (of who, unfortunately, there are more than a few) who instead of doing their own thinking, repeat, parrot-like, what they are told to say.

I am indeed very glad that you have reversed yourself on the interest question. But even as to this, the Manual stolidly goes on its way; sowing error. Have you the will and the power to intercept the flow of fallacy?

Hoping that you will not misinterpret that which prompts me to write you as I do, - that you will recognize it purely as a desire to be of at least some little service to the School and the cause that it represents, and with full appreciation of the useful work that you have done, I am

Sincerely,

George L. Rusby.

Copies to Mr. Dorn, Miss Bateman, Mr. Goldfinger.

Our cause needs, at this stage, not the superficial thinker, but the thorough student, and the letter will be alienated by any inconsistencies that may be sponsored.

Handwritten initials or signature in the top left corner.

G. L. Downing

December 27th 1944.

Mr. George L. Busby
Towaco,
New Jersey

Dear George:

Referring to our recent discussions of the question whether one produces wealth and earns wages in rendering personal services, I have taught that the physician or violinist or barber, secretary or lawyer may be indirectly producing when he makes a direct producer more fit and able to produce.

I have always taught that the laborer produces his wages and his labor, and that all of his wages come out of the product of his labor.

Personal service may make possible increased production by its object. This personal service, however, does not need direct wealth production by the one who rendered the service. If in Minneapolis personal services are better than in St. Paul, what effect will this have on production? and on rent? If it does affect rent, is it a factor in production?

Sincerely,

LANCASTER W. GREENE

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