

September 20th, 1939

MRS. SKEEL

ROTHEDGE AVE

NORTHPORT L.I. NY

Mr. Frank Chodorov, Director
Henry George School of Social Science
30 East 29th Street, New York

My dear Mr. Chodorov:

I regret a misunderstanding on your part, for which I feel myself largely responsible. For in my letter of September 5th I used the phrase "not hearing from Mr. Colahan . . .". As a matter of fact, I had been so immersed in another and far more pressing matter that the arrangements for the fund for the HGSSS were pushed aside. It is certainly unfortunate that I should have given you any ground for first imputing, and later almost stating, as a fact, in your letter of September 8th, that my legal counsel had not kept me informed on that subject. Mr. Colahan was, from the very beginning, enjoined by me to safeguard the sum which I was so desirous of devoting to the needs of the new School building. As my trusted legal advisor he had to approach the question from that angle only. When I recently sought him out, he made clear to me that there evidently was a misconception in my mind, for though he still could not recommend as an investment the form of mortgage which has finally been offered me on a parity with any subsequent mortgages up to \$25,000., nevertheless, the various technical requests which he has made to the Trustees in arranging the matter more on the basis of a gift, with some security, have been met.

On the other hand, I have gradually come to feel, both from one or two of your letters and from the announced decisions of the Trustees, that my position is now anomalous. Instead of a recognition of my wish to help the School, in the only way which seemed to me feasible and prudent, I am apparently believed or supposed to be a quitter. That there may be, if possible, no further misunderstandings, I herewith put on record the salient circumstances, and am sending a copy of this letter to each of the Trustees and Officers of the School.

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1. In the spring of 1939 you dined with me to discuss the hopes and plans for the new School building. On that occasion you stated that you hoped to put through a plan for raising money for a building fund on the strictly business basis of a bond issue, and that you believed there were several people who would each subscribe \$5,000. to such an issue. I responded promptly that I, too, would take \$5,000. of such bonds; but then and there I made it very clear to you, as well as later in correspondence, that only on such a business basis could I afford to supply so large a sum for me, and that for this reason I must have your plan submitted to my lawyer, as a protection against misunderstanding on the part of either you or me. I explained that, should it prove impractical for the School to furnish satisfactory security for such a sum as \$5,000., I should then be able to make only a much smaller donation in cash, in addition to my usual annual support. Later you wrote me that, after some snags encountered, such as the increase in price demanded for the telephone building, the deal had been closed and that you thought you could submit shortly a feasible plan for financing. When this plan, called an "Agreement", came, I sent it on to Mr. Colahan; it embodied, however, a complete departure from the original idea of a bond issue which you had outlined to me, and Mr. Colahan found its terms too indefinite to permit his recommending the scheme as a wise business venture. I thereupon sent the School a gift of \$250 (having previously offered only \$100) toward their building fund, while continuing my \$400. annual contribution to the running expense of the School. In this it is evident that I fulfilled to the letter, and more, my proffers of assistance up to this point.

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Yet, in acknowledging my gift, you implied that I, as well as others, had disappointed your expectations, to which I demurred.

2. In December, 1938, I accepted an invitation from Mr. Leubuscher to meet a group of Georgists for lunch, to discuss ways and means for the School. Yet when the subject was broached of my assisting the School financially, I received the distressing impression that the Trustees had apparently not read our correspondence and had no clear understanding of the actual situation, but considered it only necessary to persuade me to an undertaking which I had myself first proposed. I again referred these gentlemen to Mr. Colahan.

3. In January, 1939, Mr. Dorn and Mr. Smith called upon Mr. Colahan and two plans were discussed for securing the principal of an advance from me of \$5,000 (to include my recent contribution of \$250): (1) a preferential mortgage on the building - a first lien; (2) collateral in the form of certain securities. The further suggestion was made that a payment from the School to me of \$250 annually (as a substitute for interest at 5%) should be accepted by me as payments on the principal of the contribution, the entire unpaid balance of which, upon my death, should belong unconditionally to the School. To this I cheerfully agreed. However, although alternative (1) above was the choice of both the Trustees' Committee and Mr. Colahan, nevertheless, upon submission of the proposed mortgage ~~documents~~ papers by the Trustees, it was found that the mortgage offered to me was to be subordinated to the lien of any new mortgages up to the sum of \$25,000. I confess, this was a profound shock to me. Nevertheless, I continued to try to carry out my plan, and met the

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Trustees halfway, offering to consider foregoing a prior lien and accepting a mortgage on a parity with others who might come in subsequently.

Meantime, in spite of the obvious fact that the delays in negotiations originated principally from the constant changes by the ~~School~~ ^{from} in the primal nature of my proffer, blame for such delay has been thrown more than once upon my lawyer, who was merely doing his best - in spite of the drive of other work unquestionably more pressing - to protect the fund which I was to furnish against risk or loss. I had explained to him that I desired to secure the fund so that it could supply aid to other Georgist movements should the School not continue to function.

Since I first entered the Georgist crusade I have been perfectly candid in stating my belief and intention to help, initially for two or three years, every branch of our great movement offering any promise whatever of progress toward our goal. After such a test I decide whether or not to continue. With all my genuine enthusiasm for and faith in the School (which alone could have justified, in the first place, my planning to supply \$5,000), I am as firm in this position today as I have ever been. In view of the above circumstances, however, and of the attitude expressed toward Mr. Colahan and myself, I have decided to retain this principal sum in my own hands and apply the interest from it to help either the School or any other Georgist activity which enlists my conviction.

Truly yours,

(Mrs. Roswell Skeel, Jr., Rutledge Ave.,
Highland Park, Northport, New York)