

THE DEAN ELLIOTS by Alexander N. Goldfinger

What is the motivation of men to produce and distribute goods and services in the economic field? The classical economists predicated their economic theories upon a conception of "economic man" whose self-interest to produce and acquire economic goods was seldom satisfied, thus furnishing a self-propelling motive to further and better production.

While the concept of "economic man" has fallen into disrepute among modern economists, the basic motivation of men seeking to gratify their desires with the least effort is still recognized. But have the desires of men changed?

A few generations ago, the precept "Go west, young man, go west" epitomized the prevailing spirit and motive of that time. Better opportunities to acquire wealth and to lay the foundations for a bigger and more affluent enjoyment of goods and services was the ambition of a large part of the population.

The result was the founding of the west, the growth of cities, the inception of transcontinental railroads, and electric lighting, telephones, and a higher standard of living for most of the people.

Of course, in trying to satisfy their desires for wealth with the least effort, some individuals sought ways to convert the fruits of the efforts of others to their own enjoyment by seeking special privileges, monopolies or by theft.

Today, not only in the United States, but in other countries the predominant motivation to acquire great wealth or the power which such wealth yields is largely disappearing. A survey made by the Wall Street Journal among the graduates of American colleges and universities in 1957 disclosed that a very large percentage of graduates had no ambitions to become wealthy. Instead, they were seeking security and a high middle-class existence. Specifically, they were seeking a job with a prosperous concern with a salary which would permit them to own a modest suburban home, recognition as a junior executive, pension rights, and continuity of employment. Their ambition was to have a family of three to six children, belong to a suburban modest country club, and to be accepted and to conform among their associates.

There was very little evidence of any desire among these young people to leave new trails in science or the arts, or in social fields. They were content, in the main, to follow and to conform.

Was this merely the feeling among the present list of college graduates, or does this desire to be part of the herd, to conform, and be accepted motivate our entire society. If so, what are the expected consequences?

David Reisman, a sociologist, in his book "The Lonely Crowd" develops with ample proof the fact that the present generation is motivated by what he calls "the other-directed man", that is, we dress in an accepted manner, our habits, even to smoking and drinking are adapted to conform to prescribed modes which we admire. Our social life, our thinking, our views in political matters, our willingness to go along with the majority and not "get out-of-step" governs most of our actions. Reisman laments this tendency and anticipates that the end result will be a conforming society in which there will be fewer and fewer idol-breakers and trail-blazers, the mental giants and the reformers of evil of past generations. He anticipates that the herd motivation will lead to a society in which "security" is the goal and this must lead to more paternalism in government and an authoritarian state.

If these observations as to the change in man's motivations are true, and evidence points to this conclusion, then the economist of the future must be well versed in sociology, psychology, anthropology and be a keen student of man's behavior motivated by considerations other than the production and acquisition of wealth.

If this change in motivation is a fact, we, of this generation who still believe that the herd instinct, the conforming to a mode, the possession of security obtained by yielding our liberties to an authoritarian state and know that this will lead to a retrogression in civilization, must consciously "get out-of-step." We must make our voices and actions such as to attract and influence others to the danger which we can see ahead. In other words, we must be non-conformists and reveal in the distinction of being such.

* * * * *

Anybody seems to be talking economics. No one wants to study what they're talking about." - Bob Barton, Dir. HGS Detroit

The American people, most of whom do not think, will not read, and depend on a few carefully-edited excerpts of the news they hear over radio and TV for their current affairs bill-of-fare, such as it is."

The Washington Postings Review

The who controls land controls those who would work on it to live."

Theodore Tapp, Professor of Economics, Stanford University.

The "Liberals" Dilemma.

The modern "liberal" intellectual dilettanti is at present undergoing some agonizing soul searching, caused by the problem which sooner or later faces all those who attempt to regulate the lives of their fellowmen.

Although most of them obscure the problem behind a facade of verbose phraseology, a few do not hesitate to state the problem quite brutally, probably too brutally for the delicate natures of their compeers. They point out bluntly that the problem is one of individual freedom, and will even, at times, admit that "liberal" governments can tend to move toward the abandonment of individual rights.

Simply put, the problem which the "liberals" face is to decide what part they will play in the behind-the-scenes manipulation of the omnipotent State, which they have been so industriously building up as the means by which to dispense largess to those wards of theirs of whom they are so solicitous--the ill-housed, ill-schooled, ill-ad infinitum.

The faint hearted "liberal", still suffering from vestiges of a belief in individual freedom and lacking the necessary intestinal fortitude to throw down the gauntlet to those benighted wards who object to the liberals' welfarism, must fade from the scene. Only those Stalin-like liberals, recognizing that you cannot plan the lives of others if you permit them the luxury of objecting to your plans, and possessing the necessary resolution to force others to do what the liberals think is good for them, can survive.

The only alternative is for the liberals to recognize that the State they are erecting will devour all, even the liberals themselves, just as Stalin devoured all, even "honest" Communists. If the liberals do wake up and join the fight against the increasing power of the monolithic State, possibly individual liberty may survive. But for the liberals to join the fight is a confession of failure, a confession that the State is not divine, a confession that they have been false leaders, a confession that they have been pathetic, bewildered visionaries playing at being God.

Oscar B. Johnson
OVER PRODUCTION

Now that the stock market is having a slump, people are wondering if the problem of "over-production" will be with us. That condition recurred time and again in Henry George's day, and in his essay "Over-Production" he inquired acidly, "What ... can be more preposterous than to speak in any general sense of over-production? Overproduction of wealth where there is everywhere a passionate struggle for more wealth? Manifestly there cannot be overproduction, in any general and absolute sense, until desires for wealth are all satisfied, until no one wants more wealth."

That relative overproduction could occur was obvious as there might be "an over-production of watches--meaning not that more watches had been produced than were wanted, but that more had been produced than could be sold at a remunerative price."

He emphasized a truth usually neglected that "the increase of production in any branch of industry tends to the general increase of production; the checking of production...tends to the general checking of production." As illustrative of that fact he showed that if the price of coal falls the effect is to enable coal consumers to increase their consumption of coal and other things some-what. Also as coal-using industries now would have lower costs their prices could drop which would result in increased consumption which meant more production. Thus the general effect is to increase production, and to beget a tendency to re-establish the equilibrium between the production of coal and production of other things by raising the aggregate production."

But the reverse will happen if thru some monopolistic combine the coal operators were able to stop or reduce production so as to raise prices. Reduced demand meant fewer coal miners needed, with resulting decreased purchasing power and thus lower consumption and production of other commodities. At the same time, higher costs for coal consuming industries meant higher prices for their products, with lessened consumption and production. "Thus", he said, "the check in production is perpetuated through all branches of industry, and when the re-establishment of equilibrium between production of coal and the production of other things is effected it is on a diminished scale of aggregate production."

He pointed out there are many restrictive means placed on production, as tariffs, monopolies, and, of course, the taxation of wealth. "We treat the man who produces wealth...as though he had done something which public policy calls upon us to discourage." The tax collector comes to fine the man who created wealth."

In conclusion he indicated that "as land values tend to rise, not merely with the growth of population and wealth, but with the expectation of that growth.... there is a constant tendency...to carry up the price of land beyond the point at which labor and capital can profitably engage in production, and the only check to this is the refusal of labor and capital so to engage. This tendency becomes peculiarly strong in recurring periods, when the fever of speculation runs high, and leads at length to a correspondingly general and sudden check to production, which propagates itself by checking demand through all branches of industry. It is the main cause of those paroxysms known as commercial or industrial depressions."

(Continued)

"These periodical depressions...could not become wide-spread and persistent did productive forces have free access to land. Nothing like general and protracted congestion of capital and labor could take place were this natural vent open. The moment symptoms of relative over-production manifested themselves in turning of capital and labor toward those occupations which extract wealth from the soil would give relief."

"Thus may we see...that hard times spring truly from our ignorance and contempt of human rights; from our disregard of the equal and inalienable right of all men freely to apply to nature for the satisfaction of their needs, and to retain for their own uses the full fruits of their labor."

We can be sure of one thing today that if business does decline to any great extent the cry of over-production will be heard increasingly. Is it too much to hope that people will then once again rediscover Henry George?

Oscar B. Johansen

Headline in a New York Daily - Oct. 1937
"Our Economy is Sound Says Ike." Recalls similar statement by Hoover - Oct. 1929.

UNA MILLER

At present a roving personification, I hope, of the New Jersey Henry George school from one corner of Arizona to the other. Una doesn't necessarily stay put, and she could easily be with us here in New Jersey again taking up her accustomed activities among her many friends.

Until recently, Una served as Trustee and Secretary for a number of years. She led many classes in the environs of her home town, Summit. She always became so stimulated from the subject matter of these sessions that she found her only antidote to relax mentally was a stiff dose of "who-done-its" even as F. Roosevelt and H. Hoover. She airily referred to these as her literary medicine. Her normal reading diet, however, tends toward the classic.

My first recollection of Una was in the days when the school was at #1 Clinton Street, and even later; when we were all hammering out our basic concepts Una was always in the thick of the fray, as intense discussion and debate moved up and down the hall into corners, a hallway--even invading the school kitchen. I particularly remember the mental excitement of probing into intricacies of the concept of capital and Una's part in it all.

I'm sure that most of us have been disturbed and sometimes depressed by the world's ignorance and apparent indifference to our principles; and by the heavy price paid by all peoples as a result, to an intense nature this constant realization can be very real frustration. And so, for her own peace of mind, Una once told me she turned increasingly to the direct rewards of Nature. She may not get the just economic returns from it, but more than anyone I know, she gets a full esthetic reward.

She has no patience with people who race over the country, "seeing" but not "looking". Of recent years, she spent much time, "with deliberate speed," in the country, reads, scanning the skies through her glasses for her precious birds, or out of her car and into a swamp or wood on some exciting discovery. Some times she starts at dawn, alone, or with kindred spirits; sometimes for a day, at others, for months. Anyone can travel and depend upon the string of inns, but Una draws on the ever present supplies, producing an interesting meal on a park site, by a stream, anywhere at all. Her experiences are endless. She contributed much needed information on birdlife in the Southwest. She says that a big regret is that while she is in one place, she can't be everywhere else at the same time. She hates to think of what she is missing. You can well imagine her saying that she has never been bored in her life.

She and her husband came originally from Ohio, but the two daughters and the son grew up in Summit. Later they located, with their growing families, in Oklahoma and Arizona. Though she has taught in the local schools, latterly Una was social editor for the Summit Herald. She saw her husband through years of illness, and her son, a conscientious objector during the last war, only to live through the difficult time of his recent loss.

I've concluded that Una Miller, in independence of thought and action, has achieved the maximum of freedom in an increasingly unfree world.

Virginia Harvey

ESCAPISM

It seems to me a sort of paradox that all those advocates of socialism, paternalism, communism, from pink to red, and calling themselves liberals, should be so grim about it. In fact, it seems that word is this is the key to the mood of the day. Judging by the articles and fiction in the slick magazines.

Now the objectives of these pink people have been coming to fruition so rapidly that I'm always puzzled at the popularity of grimness, that should be the exclusive emotion of the individualist, or libertarian. In my ignorance, I should think it would be the happiest, most smiling sort of world for this large group. No doubt they are grim because the taste of socialism has whetted their appetites for more, much more of same and theirs is irritation. But the other countries, where that "much more" is already had, have a grimness of a most authentic sort. It seems logical then that all liberals luxuriating in the grimness of the demagogues--oops, sorry, I almost laughed out loud--are really anticipating that complete grimness. Thus, I conclude that this emotion is supposed to be very enjoyable.

If this is so, then why do people who are not egotists sneak off to see a play, when they can find a merry one, just for pure enjoyment, or to a light hearted movie. The answer to this, it seems, is that this is escapism, and lie on them.

No, entertainment must be fraught with Problems.

On an interview on television, it was agreed that neurosis, greed, ruthlessness hate and murder after all is life. In short it is life, Brother, to sit in the muck, but don't get up out of it--that would not be realism.

Wasn't it Epstein, the sculptor, who does, or did, turn out the horribly misshapen female figure? Was it his concept of life? Or perhaps he just hated women! The point is that, if this is all of life then I'd rather be an escapist and look at life, at least sometimes, as I'd like to have it, by looking at Venus de Milo. I was probably brainwashed as a child.

Seriously speaking, wouldn't you think the sophisticates would suspect occasionally that the fears, foreboding, the feverish search for security, the psychoses, the increasing insanity could be in proportion to the development of socialism and the recession of individualism?

I do believe poor old Patrick Henry were he alive today, and repudiated even before elections, would strike what blow he could for individuals, and opportunity. But in between blows, I think he would scurry for the tranquilizer of the television westerns. And in spite of sophisticated views of life, he could watch the triumph of good over evil, by gum, by individual effort even if he couldn't participate actively.

If amusement, without Problems, is capitalism, then so be it. By whatever name it is called, we all need it. I only object to mixing our Problems with our Entertainment.

Virginia Harvey

Director's Comments

From the lead Editorial, Newark News, Oct. 21st headed "About New Taxes." - "The New Jersey League of Women Voters is an estimable organization that has contributed generously to the public service... It is also consistent, particularly as to taxes. It wants more of them... what N.J. needs... is a broader tax base.... meaning state

Henry George School of New Jersey
76 Clinton Ave., Newark 2, N.J.

LIBRARY

Henry George School,
50 East 69th St.,
New York 21, N.Y.

LIBRARY

sales, personal income or business income taxes." Says the Editor "the league must know that there is never enough money to satisfy government's appetite, and probably wouldn't be if the state swallowed all three of its taxes combined." And voters have heard that new taxes are unnecessary, that with prudence the state can live within present income." Then finally, however much the league may deplore it, New Jersey does rely on the general property tax as its major revenue source, and on available evidence seems likely to have it so." The editorial concludes "and the fact that any proposal for sales or income taxes has been shunned in this campaign (Governoratorial) is reasonably acceptable proof that there is no market for either among New Jersey's electorate." What may I say other than Amen to the Editor and Good Night Ladies to the LWV.

Salt of the Earth

Behind most successful executives today there is a hard working publicity department.

Believe it or not, but a billion dollars composed of new, crisp \$1,000 bills would be 666.6 feet high, or about 15 feet higher than the Washington Monument. And our Government budget this year is over \$70 billion dollars.

If you have trouble living within your income, there's always a brother-in-law who's glad to do it for you.

Today our schools are so modern and efficient they can teach a fellow to be a doctor, lawyer or engineer before he has time to learn how to spell.

Great progress has been made in the past few years in outlawing the fire-cracker and developing the hydrogen bomb.

The government is very busy these days subsidizing small business so that it will become big enough to be a target for monopoly control legislation.

The exceptional man prefers freedom to security; the mediocre man prefers security to freedom -- security at the expense of freedom is what we are getting." FREEMAN

Non-Profit
Organization
U.S. POSTAGE
PAID
Permit #2136
Newark, N.J.