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Mr. Robert Clancy, Editor
HENRY GEORGE JOURNAL
5 East 44th Street
New York, NY 10017

Dear Mr. Clancy:

I've enjoyed the Journal for many, many years, and enjoyed hearing you at the Holland meeting in '82. Among memories from my youth are visits to the home of our neighbor Louis F Post, to our home by "Sunny" Jim Brown of the Manhattan Single Tax Club and to Prof Jerome Johnson's office at Harvard, among others.

Ever since graduating from MIT, in 1933, I've been trying to apply my engineering training to economics. I've had 2 or 3 articles published in The Am J of Economics and Sociology, but the enclosed pamphlet, GRAPHICAL ECONOMETRICS, crude as it is, condenses 60 yrs of reflection into a small package.

Currently I'm estimating Economic Rent via computer on a grand scale, see attached sheets.

Mr Dodson's editorial in the Spring issue of the Journal caught my eye. It's an old story, the blending of Land into Capital. It started, I think, with John Bates Clark. His "Distribution of Wealth" c 1906, was sparked by the fuss made over Henry George. Eliminating land as a separate factor was the only way Clark could overcome Henry George's logic.

How to combat this glaring error in the face of acceptance by almost all professional economists baffled me until I hit on four concepts: 1) the existence of three interconnected systems (Real or physical, Conventional or dollar-valued, and Financial or paper claims), 2) two basically different classes of capital (specific purpose or private and broad purpose or public), and 3) five production functions: a) one describing the physical production of goods and services so as to maximize engineering profits, b) one describing how to maximize business profits under institutional restraints, c) one describing how to produce public goods and services so as to maximize political profits under institutional restraints, d) one describing how to upgrade the productivity of natural resources for the common rather than private good, and e) one describing how to upgrade the productivity of human resources in the face of religious and institutional restraints.

As Louis Post once said, the basics of economics are simple; the details are incredibly complex.

I plan to visit your office in the near future, to see what you are now up to, and if you are interested, to show you something on what I am doing.

cc Mr. Edward J. Dodson
Pres. HG School

Sincerely

Walter F. Swanton

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