Peace Div. Chron.

Lists

1. ~~Key~~ vocab: phrases, concepts, bon mots

2. ~~Major~~ findings

Pax 3. Peace or victory bonuses: sources, uses, riding high, monetizing land, divisiveness.
(Peace "divid." is ok, bcs. a corp. divid. is not divided equally, but + ~~[illegible]~~ per share)

War 4 War + cold war: thriving, ~~+~~ sharing + leveling under challenge

5. Rules (+ fallacies)

6. Class war: repression, reaction vs. wartime leveling.
Factor distribn. Cont. policy.

7. Feedback loops

8. ~~Tari~~ Slumps; (incl. tariffs, exch. control.)

9. Export, save for: (Logos, tant., fallacies, other docs.)

Some of those who are sanguine about avoiding a slump are merely confused. They recall, for instance, that wars usually coincide with economic expansion. This is true: the second world war (not Roosevelt's New Deal) brought the Great Depression of the 1930s to an end. If anything, it might seem, the risk now is of inflation, not of slump. For once, though, history is a poor guide.

Stagflation's return

Wars cause inflationary booms when they persistently raise the demand for workers and goods beyond the capacity of economies to supply them. The war in the Gulf is being fought with soldiers and weapons that already exist; on any plausible assessment it will stop long before armies (on the allied side, at least) start to drain additional resources from their economies. Assuming Iraq loses, it will be in no position to rebuild its military investment; America and its allies might make good some losses—but that will only delay a slowdown in defence spending that was already under way.

A smaller-than-expected peace dividend cannot cause a surge in demand. If the Gulf war causes inflation it will be because it makes oil dearer. A sharp and sustained rise in the price of oil makes costs rise and real incomes fall, raising inflation by squeezing supply, not boosting demand. This is the sort of inflation—"stagflation"—that goes hand in hand with lower output and fewer jobs.

Economists at the OECD have estimated the effect of dearer oil on the industrial countries. The numbers show that the world economy, though far less vulnerable to oil-price shocks than in the 1970s, cannot yet shrug them off. If governments acted to stop dearer oil from causing higher long-term inflation, a permanent rise of $10 a barrel would cut industrial-country output by roughly 1% a year. (In effect, their growth rate would slow by one percentage point this year and then return to its earlier rate.) If governments let inflation rise, output would take longer to be affected, but in the end it would probably fall further.

According to these estimates, if the price of oil rose to $50 a barrel—some $20 higher than in the OECD's "baseline"—and stayed put, the world economy would face a fairly bad recession during the next year (or else a rise in inflation that would lead to a worse recession later). This would be a smaller economic loss than during the worst recessions of the 1970s and 1980s. But there would also be a risk that financial and other fragilities in different countries would crack under this pressure, and that governments, mesmerised by conflicting economic signals, would fail to halt the contraction that might then start.

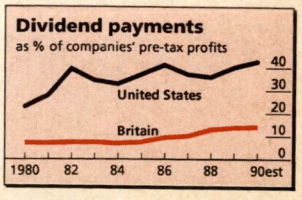
The minimum requirement for this worst case is, therefore, a big and sustained rise in the price of oil. This is extremely unlikely: the market's initial reaction to war was to push the oil price up—then down again, sharply. Before the war, professional industry-watchers were guessing that the price would be anywhere between $30 a barrel and $70, with an average of roughly $50. What happens next depends on the course of the war—how long it lasts, and how much damage Iraq can do to Saudi oil installations.

With stocks of oil at their present highs, a quick and clean allied victory would cause the price to crash, perhaps to as little as $10 a barrel. Thoughts of depression could be immediately and thankfully dumped. If the war goes wrong and Iraq badly damages the Saudi installations (especially refineries, because reserves of refined products are relatively thin), a run-down of official stocks might not be enough to hold the price at less than $40.

If the military planners are right, the allied victory will take days at best, weeks at worst, but not months. Thanks to a combination of allied air-defence and inaccurate Iraqi missiles, they also expect the Saudi installations to escape with little damage. If they had had time to think about such things, they presumably bet their shirts on dirt-cheap oil, soaring stockmarkets and a vigorous economic revival during the spring and summer of 1991.

That expansion, if it happens, will be driven by a notoriously intangible force: confidence. This, quite as much as the mechanical link between dearer oil and squeezed incomes, will decide the fate of economies in 1991. The war aside, most of the economic threats facing the world—the fragility of the banks, the struggle to reform Eastern Europe, quarrels over trade—feed the fear of recession and at the same time are fed by it. That is why a war that goes badly will work through many channels to cause economic harm. Equally, a war that goes well will do economic good in many more ways than releasing a glut of cheap oil.

Dividends in recession



As profits fall, payments to shareholders must not be sacred

IN ONE boardroom after another, company directors are pondering an awkward question: with times getting harder, should they cut the dividend? On one level, the answer seems obvious. Dividends are a payment to shareholders of a proportion of a firm's current profits; when those profits fall during a recession, it should follow that the pay-out falls as well. Yet the directors' lot is not that simple. There is great pressure on firms, from inside and out, not to cut. Ford, making it seem like a minor triumph, has just announced it is maintaining its dividend despite tumbling car sales and profits. And Paddy Linaker, chairman of M&G, one of Britain's biggest institutional investors, has written to 300 company chairmen advising them not to cut their dividends.

The principles of dividend policy are clear. Dividends are not merely a residual paid out of a pile of cash that would otherwise be lying idle. They are but one demand on the flow of cash being generated, and used, by a business. If dividends are held (or raised) when profits fall, then something else also

This is unlikely to happen. But, if it does not happen, Mr Gorbachev will have lost most of his old claim to admiration. He will be trying to preserve the Soviet Union in its present shape and size at the cost of putting political and economic liberalisation into the freezer. It is likely to stay in the freezer for a long time, since the allies Mr Gorbachev will need to keep the union intact are mostly enemies of liberalisation. He may have acted as he did because the reactionaries frightened him into it. More likely, he never really understood how big a change that liberalisation requires. He never restructured himself. Either way, he will no longer be the Gorbachev people thought he was.

No longer Mr Essential

Western democrats must then decide whether Mr Gorbachev's foreign-policy usefulness makes it necessary to ignore this fact. If the forthcoming battle in Arabia goes quickly and well, the answer will pretty clearly be no.

A year ago the world thought it needed Mr Gorbachev for the liberation of Eastern Europe. That job is done, apart from some unfinished business in the Balkans; the only other loose end is the Soviet garrison in eastern Germany, and no sane government in Moscow, Gorbachev or post-Gorbachev, is going to leave the best part of its army to disintegrate abroad. Since August Mr Gorbachev has been immensely helpful in building up the coalition against Saddam Hussein. That help is still welcome, to steady the Arab part of the coalition when the fighting starts; but it is not indispensable, and when the fight is over it will not be needed at all.

The foreign usefulness of Mr Gorbachev will then be reduced to his blessing for the two great arms-control deals, nuclear and conventional, that he has worked out with the West. It would indeed be a pity to lose these agreements, especially the clauses that entitle the democracies to go and peer inside the Soviet military establishment. Yet the stern fact is that the continuing disintegration of the Soviet economy—which will get worse, the longer reform is put off—is going to make almost any Soviet government want to spend less on arms. It will therefore want the West to spend less too. The arms deals may thus survive. If the democracies want to draw back from Mr Gorbachev, this need not stop them.

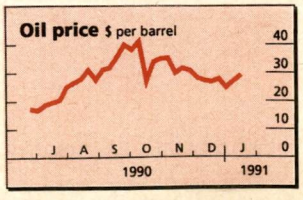
They must be clear, however, what they are trying to achieve. The aim is not just to express disillusionment with Mr Gorbachev. It is to help the emergence of a better Soviet Union. A better Soviet Union, let it be repeated, is not only a place in which a genuine free-market democracy can take root. It is also a place that will release its grip on those parts of the country which do not want to belong to any Soviet Union, however it is run. The events of the past week make it clear that the two aims, pluralism and national freedom, are now inextricably mixed up with each other. This helps the democracies to see how they should use the only instrument of persuasion they possess.

That instrument is the offer of economic help—not just the $1 billion-worth the European Community held out last month, the $3 billion-worth of trade credits America has been talking about, and the even bigger gleam in German eyes, but potentially far more. There are few better things for the democracies to spend money on than the right sort of future for the huge stretch of the world that lies east of Poland and Romania. But "the right sort of future" now requires a clear decision from those who might provide the money. No help, except perhaps some food aid, should go to a government following Mr Gorbachev's present course. The money should be released only to men willing to resume the march to democracy, a free market, the right to independence.

This might, just possibly, persuade Mr Gorbachev to change his mind. If he breaks under the strain, it might help the next Soviet leader to retreat from Mr Gorbachev's mistake. But its biggest effect would undoubtedly be to encourage politicians in the component parts of the Soviet Union—above all in its Russian part, half of the whole country—to defy the forces of reaction now in control of the Kremlin.

It is in Russia that the issue will probably be decided. The new Gorbachevism can be beaten if a majority of Russians go on supporting Boris Yeltsin in his opposition to it. Only the Russian republic is big enough and economically powerful enough to stand up to the power of the Soviet apparatus, the chief remaining stronghold of the conservatives. Only Russian resistance can paralyse the Soviet army, which would mean less danger of civil war. In alliance with other unhappy republics, the Russians could yet save the day. It is not enough for the democratic world to say that it will withhold aid from the wrong people in what may soon be the ex-Soviet Union. It should help the right people, the ones who will try to do better than, alack, Mr Gorbachev has done.

The economic price



How much harm will the war do to the global economy?

EVEN without Saddam Hussein, this was never going to be an easy year for the world economy. Financial systems, especially in America, are choking on bad debts; banks have failed and industry is caught in a "credit crunch". The Uruguay round of trade-reform talks has been suspended, and governments seem more willing than ever to embrace protectionism. Political and economic reform in the Soviet Union is disappearing under the tracks of advancing tanks. Reform elsewhere in Eastern Europe and in much of Latin America remains vulnerable to shocks from abroad. Now two huge armies are fighting a destructive war in one of the world's economic nerve-centres.

Only a fool could fail to be alarmed by this gathering of opportunities for catastrophe. Apart from the loss of life and limb, the Gulf war does indeed pose a risk of a global slump. This risk is small, but cannot be waved away.

To 1734, in 2 sheets.

-509 rome meta:1

Romans drive out Etruscans, reject monarchy, establish republic modeled consciously on Athens, then flourishing.

-509 rome meta:4 classwar

Senators or Patricians gave generous "liturgies," (voluntary public services) to state. To be taxed, however, was to be downgraded.

Prop. tax levied on equites, also on foreign merchants, called tributum. #9, base included mortgages, accts. receivable, etc. The poor paid tributum in capita, a poll tax.

Tithe was on the produce of the land, of provincial people. #8, -27, August substituted tributum soli. A "uniform land tax" (def?) At first, paid in kind, but August changed that to coin.

-509 rome meta:3

Revenues of Roman Republic came from rents for use of public lands, including for minerals, markets, and use of public structures (gymnasia, baths).

-509 ff. rome meta:2

Equites (knights) owned land, but not enough to be Senators. They could engage in business - Senators could not. They became traders, moneylenders, and tax farmers.

I.e., they were the bourgeois, the ec. venturers, voters;

-509 rome meta:

Only citizens who owned land could serve in the army. Romans felt they had a greater stake in Republic.

-494 rome meta:11 classwar

Senate creates Tribune of Plebs. To protect plebs from arbitrary actions of patrician magistrates.

-471 rome meta:12 classwar

Council of Plebs created. It elected Tribunes.

[Note how much of Roman Republic history is history of class war. This could well be why Ancient History has been scourged from college curricula.]

-452? rome meta:13

Law of the Twelve Tables finished, set up in Forum. Gave plebs some rights, including right to rent public land.

-450? rome meta:13 (her dates here are mixed up.)

Senate decides to publish first code of law. Sent mission to Athens to study laws of Solon. Consulted with plebs.

-275 rome meta:13

Rome completes subjugation of Italy.

-264-41 rome meta:13

1st Punic War. Rome takes Sicily, makes it first Roman province. Also takes Sardinia, Corsica.

-202 rome meta:14
Scipio finishes off Carthage, 2nd Punic War.
Equites growing wealthy from trade, lending. Many rise to Senatorial ranks.

-199- rome meta:18
Senate starts dividing into two parties. Optimates were the old oligarchy; Populares favored changes in leasing public lands.

-149-46 rome meta:15
Rome takes Macedon, Greece.
Skilled, literate Greek slaves outcompete illiterate Roman vets for jobs. Vets move to cities, dole.

-133 rome meta:19
1st Gracchan effort to distrib state land to the poor.

-123 rome meta:19
2nd Gracchan effort to distrib state land to the poor.

-82 rome meta:20
Sulla, an Optimate, dictator of Rome, until -79. Pompey succeeds him.

-60 rome meta:23
Pompey forms 1st triumvirate, with Caesar (a Populare) and Crassus (a rich optimate).

-49 rome meta:24
Pompey breaks with Caesar, denounces. Caesar crosses Rubicon, chases Pompey, defeats him at Pharsalus, -48.

-44 rome meta:26
Murder of Caesar. Octavian forms 2nd triumvirate with Antony and Lepidus. All 3 were soldiers and Populares.

-31 rome meta:28
Octavian defeats Antony at Actium. Senate names him Emperor Augustus. #29, Augustus lowers size of Senate by raising prop. requirements. Most of those who remained were Equites.

-31 rome meta:30
Marriage among patricians had gone out of style. Women didn't like traditional subjection; men didn't like responsibility. Augustus decreed men and women could keep their separate estates. Divorce flourished anyway.

-27 rome meta:6 classwar
Augustus levied first inheritance tax, 5%.

212 rome meta:6
Caracalla raised inheritance tax rate to 10%, and broadened coverage by elevating all free provincial subjects to rank of

citizen.

250-70 rome meta:10
Rapid inflation. Before then, coins were still 40% silver.

301 rome meta:33
Diocletian combined many irregular taxes into one tax on ag output, the annona (which he redefined from Augustus' time). It rested on a comprehensive ag census, classifying all land by productivity. Unit was the iugatio caput, amount of land that one man with one ox could cultivate and live on.
Ricardo used same unit in defining law of rent. (?)
Diocletians system remained essentially unchanged for centuries. (That speaks well of it!)

Peacediv 1. Key vocab: phrases, concepts, bon mots.

.... bm

Prosperity and Disparity

Disparity of incentives may or may not cause prosperity, but disparity of wealth certainly results from it, as rent-taking overwhelms product-making as source of wealth and income.

....

Prosperity and Poverty. Becalmed, torpid, dormant, depressed, economy.

1

"Business," and "investment," are ambiguous. "Income-creating investment," from macro, is a separate idea. "Net investment" refers to creating new assets, but, alas, leaves out replacement. Needed: single word for ICI, Income-creating investment. Meantime use the acronym ICI. ICI is moved by MROR.

Marxists use "bourgeois" roughly for class of people who make ICI, as vs. rentiers. "Capital-movers" captures the essence better. Other words: farmers, firm-captains, firmers, entrepreneurs, avanceurs, advancers, facteurs, storers, profit-makers, capitalists, merchants, marketeers, general partners, riskers, fronters, ...

Rentier is limited, means a person on fixed income, originally interest on govt. debt. These are rent-takers of the 3d Kind.

Distinguish Rent-takers of the 1st and 2nd Kinds: equity and creditors.

1

.... Peace and Poverty, a catchy title. 2

.... world Millis56:166 war

Armed forces are not mechanisms. They are "rather organic growths developing ... out of complex soils of vested interests, political and economic ambitions, unanalyzed fears and untested assumptions about historical causation."

3

....- u.s. Versteeg:28

"as one small candle may light a thousand, so the light here kindled hath shone to many, ..." Wm. Bradford.

3

1500- Eng.

"Wooly maggots ate the heart out of English yeomanry." 15
"Victory and Eviction." "From bondage to vagabondage." "From fenced-in to fenced-out." 28

Corpns. are "communism among the few." Not like "each on his own particular." 28

Spanish Habsburgs withered whatever they embraced. 33

1600- Eng. Adams 1921:57
Was a world network, even back then. Local struggles were each small "parts of one stupendous drama."

35

1661-1715 Fr. perk:131-5
"No one could hope for favor or promotion unless his face was often seen at Versailles." Disfavor: "I do not see him often at court."
Nobles became absentees, neglected their lands, "odious to the community."
P.142, mispatronized, atrophied culture, which had thrived during "turbulence and license of the Fronde," with "smother-love." Descartes, Pascal, Corneille, Moliere, La Fontaine, Rochefoucauld, all matured before Louis reigned. Louis patronized all the wrong writers.

50

1665- Fr. bm
Colbert takes charge of finances. "Extraordinary fidelity, rather than extraordinary intellect, rendered Colbert useful ..." - Perk:93. [Cf. Cullenberg, Khan, et al.]
P. 101, nothing novel in him except his integrity and efficiency (a Prussian).

52

1680- Fr. perk:152 class war
Mme. de Maintenon, an e.g. "of the great class who derive from the teachings of Christ nothing, save a desire to secure for themselves in the future an indefinite continuance of an agreeable existence." [Contented cows.]

55

....
Parlayers, avanceurs, rotaters, cyclers, ante-ers, riskers, movers, financers, outputters, stakers, carriers, bridgers, plungers, rollers, players, instigators, funders, launchers, impellers, projectors, initiators, propellers,

62

P. 272-, 1704, Blenheim, disaster for France, only real disaster since Pavia, 1525. After that it was all downhill. Louis had no money, no leaders, no diplomacy: he had gelded France.

P.276, "Louis and Mme. de Maintenon were partial to those

who understood the art of pleasing better than the art of fighting."

63

1702-? Fr. perk:358 war,$

A "capitation tax" was imposed during war of SS. Ca.1715, was repealed. "The capitation was offensive because it was fair."

64

P.17-18, put her favorites in charge of army and state; warred from caprice and vanity.

P.15, "In the purposeless continental wars of Louis XV, ... little glory and less gain." [Possibly, however, there was also little expense, thus letting lv rise.]

71

1758-89 Fr. perk:20 bm

Govt in hands of persons of "<u>small wit, small ideas, and small devices</u>." [cf. UCR.]

73

Military victory is economic defeat! "<u>Winner's Curse of the Second Kind</u>." "<u>Victor's Curse</u>."

84

1789-1815 Fr. Opp:vii revn

3d est won revn, not just vs. 1st and 2nd, also vs. 4th estate, meaning proles. [Mme. La Farge was a merchant, after all.] [Same as Eng. Revn(s).]

Used thy of previous accum, meaning we started free and equal, then some saved more. This came orig from Stoics and Epicureans, who saw it as an ahistorical assumption. It evolved later into an axiom, self-evident, requiring no proof. "Rationalism is essentially unhistoric, even anti-historic."

86

....

Work-buyer, grubstaker, staker.

Grubstaker vs. Claimstaker.

87

1801- U.S. WMiller:142 psych

Jeffn, reversing Adams, welcomed foreign talent. (Camelot effect, like JFK, who also liberalized immigration.)

92

1815- italy Rbnsn:540 bm

"Italy is only a geographical expression." - Metternich.

96

1825 U.S. Goodrich:39 $

JQ Adams favored fed xptn. "The swelling tide of wealth"

from land sales "made to reflow in unfailing streams of improvement from the Atl. to the Pac Ocean." Idea of The Great Revolving Fund. A national system. No taxes needed!

[He didn't actually do it, but the states did.]

["Dreams are made of this." Talk about President Moonbeam! They called Jerry Brown Gov. Moonbeam, but the real Moonbeams are those who think land can only go up, etc. Pres. Bush is Moonbeam, thinks he can cut taxes and fight war!]

101

1839 md Goodrich:78 pax bm

C&O Canal was not "to subserve the purposes of the present day or century, but ... to endure for all time." [THE OZYMANDIAS SYNDROME.]

104

1839- md Goodrich:86 tax

Baltimore taxed itself, clear to 1860, to pay bonds on B&O RR, which finally paid out. An unusual success story. "Municipal Equivalent of War."

105

1870- U.S. Beer:95 classwar

"Perhaps the slaughter of the young (and) educated in the war impaired liberalism ..." Cheap evangelism (Dwight Moody, Frances Willard) made it less safe. The "intellectual stir .. died out in the rank commerce and collapsing dignity of the '70s and '80s."

117

1876 ny Hoyt:127 x

Drop in nyc lv nr Central Park was even greater than fall in Chicago. [NY and Chi, "Synched Cities." True Twins. Ganged Growth. Teamed Titans.]

119

1890 U.S. Millis56:142 war x

Naval race begins. Pres. Benj. Harrison, Republicans in power.

P.144, Mahan's book published, highly influential, even more in eur. than u.s. Mahan "discovered nothing in particular, but he discovered it very well." [Cf. Garrett Hardin, Harberger, et al.]

123

1896 U.S. Beer:54-56 x

Democrats split. Silver Demos went for Bryan (were expected to go for "Silver Dick" Bland). Gold Demos split, went for John M. Palmer. P.175, "the nation invoked capitalism to save it from oratory."

125

1897 U.S. Beer:183 psych

Vogue of Kipling. Satisfied yen for "an entertainment that would reverse the formulas of Louisa May Alcott." Stirred interest in the orient, desire to hold the Philippines.

125

....

Rise-takers

127

List major findings at end, or beginning, with evidence.

1

1646-60 Eng. CHW:578 war

Cromwell's New Model Army was a seedbed of radicalism. The levelers came from there. Cromwell fought both Holland and Spain (winning Jamaica) and Ireland.

(Cromwell was the English Napoleon: kill a king; work with, but control levelers. Cf. Am. Revn; Civil War; Spanish War; W.W. I; W.W. II; Korean War; Vietnam war; Russian Revn; German pds. of social democracy; Dutch Republic vs. Spain; etc.)

(Note compatibility of Calvinism and leveling. This helps explain hostility of French kings. However, what explains 100 years of their tolerance? Henri IV did it to secure peace; his successors slowly coopted leaders, then destroyed.)

47

1667 Fr. Perk:60 $

French govt. bribed and subsidized German princes, had more influence in Gy. than The Emperor. [Also bribed Eng, Ireland, Scotland. Cf. Spain, 16th; Eng, 19th; U.S., 20th; and many countries like Japan, sugar nations, oil nations, etc. Bribing foreign politicians has long history and an active present.]

1667 Fr. Perk:60

P. 62. France invades Spanish Low Countries. Easy pickings. Spain weak, badly led, bankrupt, with scattered possessions it could not defend.

War easy on France. Most wars were, until 1789. Season of activity was short, results meagre. Wars dragged on until ended by "exhaustion" [i.e. tax revolts].

52

1600-1800 leapfrog

200 years, Eur. gave priority to controlling Caribbean. Spanish Main, Asiento, piracy, Jenkins' Ear, rum, sugar, triangular trade, Surinam, S. Sea Co., Mississ. Co., etc. etc. After all that, what was there to show for it? This was perceived as the best land. They blighted it, culturally, semi-permanently, by slavery, maladministration, etc. Probably severe land mnpy. NEED INPUT.

70

1743 Fr. NCE:1616 PAX

Death of Fleury. Louis XV governs "directly," but that means dominance of Mme. Pompadour. [Haeterocracy. How about du Barry? Pompadour was not all bad, she patronized Quesnay.]

Interesting how French, with their Salic Law that forbade females from reigning, had more petticoat rulers than most countries.

We now have several periods of Louis XV: Regency of Duc d'Orleans, with and without John Law; du Bois, submission to Rome; Fleury, coldwars; Pompadour-du Barry, <u>apres moi le deluge</u>.

70

1754 U.S. WMiller:92 war

Braddock's defeat. ("Interwar"!) Frequent other fighting, too. [Suggests vigorous efforts at westward expansion, leading to more war, blurring line between peace and war.]

[Using peacediv to expand not only vents, unleashes workers and forwarders, advancers, but provokes more wars. We were on a roll, 1720-63. Walpole may have stifled Eng. at home, but not in Am. colonies, and expansion hastened after 1740. We went from salutary neglect to salutary aid - to malignant repression.]

72

1758-61 Eng. Jameson:72 $

1st Wm. Pitt, Earl of Chatham, "The Great Commoner," conducted war in such a way that his statue in London commends him as minister "who had made trade flourish by means of war." See NCE:516. Pitt rose to power by opposing Walpole.

Cromwell, also associated with commoners, did same thing in wars vs. Dutch et al.

73

1857-73 U.S. Cornick:20 x

Only 15 years between busts. Civil War inflation had saved finances of some municipalities after 57, let them have another go at it.

Thus, wars have more than one effect. My major thesis is, they raise national taxes, hold down lv. They also soak up unemployed, repudiate old debts, etc.

Again, 1913 was time for another crash; 1907 showed the impulse. Eur. war perked up demand for current goods, but also raised i.r., raised taxes, held down demand for land. The preceding coldwar/naval-race kept up taxes.

111

[As to rails, they were surplus in 1942, trains were short and few.]

In general, we enter wars with excess capacity in xptn. War draws on this frozen K, thaws it into expendable goods. Even the aborted R.R. from Mobile north was useful in Civil War.]

113

1866-72 U.S. x x

Gilded Age occurred while "Radicals" were in power. They must have been "radical" towards s.e., rather than at home. Likewise McArthur must have seemed a "radical" to the Japanese, while a reactionary trend developed at home, [with him as a symbol].

In both cases, ff. a few years of reconstruction, right-wingers at home allied with right-wingers in defeated lands, as winning the class war took priority over winning the regional war. It is international and interregional warfare that abates class warfare.

115

1869 ireland Rbnsn:602

English church disestablished in Ireland, tithes abolished. Before this, Catholics taxed to support Prot. church. [Crimes of Chas. V, Philip II, Catherine de'Medici, Louis XIV, and Duke of Alva were avenged on Irish, as today crimes of Hitler avenged on Palestinians.]

116

Cf. Italy, about this time, explosion of opera. Cf. literary flowering of n.e., time of Longfellow, Emerson, Thoreau, Hawthorne, Lowell, Whittier, Holmes, etc. Social conditions produce a flowering of certain kinds of activity at certain times, highly concentrated in time and space.

117

1873 world Estey:96 x

Eng, U.S., France, Gy and Austria all hit. 1857 hit all but Austria; 1837 only Eng and U.S. (I doubt that.)

118

1895-1914 world Felix:29 x

Eur. K went to same regions that were also taking Eur. immigrants: U.S., Brit. dominions, Argta, Brazil. [Fits the HG model], evidently violates Heckscher-Ohlin [as Felix understands it].

125

1914 u.s.,chi Hoyt:413 x

Peak in area subdivided in 1933 limits of Chicago. This occurs before there is a blip in lv, and is ff. by only a modest, temporary rise.

Chart shows two series on subdivision: the other is for lots subdivided in Chi. metro area. This series peaks 1891, and 1927, extremely high off trend. It also peaks 1914, but in very subdued way.

Thus the 1908-15 development was <u>much</u> healthier than in the other periods. It was infilling, subdividing inside the city. There was no land boom. There was also stability in bank clearings, also shown - notably moreso than in booms before and after.

130

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1646-60 Eng. CHW:578 war

Cromwell's New Model Army was a seedbed of radicalism. The levelers came from there. Cromwell fought both Holland and Spain (winning Jamaica) and Ireland.

(Cromwell was the English Napoleon: kill a king; work with, but control levelers. Cf. Am. Revn; Civil War; Spanish War; W.W. I; W.W. II; Korean War; Vietnam war; Russian Revn; German pds. of social democracy; Dutch Republic vs. Spain; etc.)

(Note compatibility of Calvinism and leveling. This helps explain hostility of French kings. However, what explains 100 years of their tolerance? Henri IV did it to secure peace; his successors slowly coopted leaders, then destroyed.)

47

1667 Fr. Perk:60 $

French govt. bribed and subsidized German princes, had more influence in Gy. than The Emperor. [Also bribed Eng, Ireland, Scotland. Cf. Spain, 16th; Eng, 19th; U.S., 20th; and many countries like Japan, sugar nations, oil nations, etc. Bribing foreign politicians has long history and an active present.]

1667 Fr. Perk:60

P. 62. France invades Spanish Low Countries. Easy pickings. Spain weak, badly led, bankrupt, with scattered possessions it could not defend.

War easy on France. Most wars were, until 1789. Season of activity was short, results meagre. Wars dragged on until ended by "exhaustion" [i.e. tax revolts].

52

1600-1800 leapfrog

200 years, Eur. gave priority to controlling Caribbean. Spanish Main, Asiento, piracy, Jenkins' Ear, rum, sugar, triangular trade, Surinam, S. Sea Co., Mississ. Co., etc. etc. After all that, what was there to show for it? This was perceived as the best land. They blighted it, culturally, semi-permanently, by slavery, maladministration, etc. Probably severe land mnpy. NEED INPUT.

70

1743 Fr. NCE:1616 PAX

Death of Fleury. Louis XV governs "directly," but that means dominance of Mme. Pompadour. [Haeterocracy. How about du Barry? Pompadour was not all bad, she patronized Quesnay.]

Interesting how French, with their Salic Law that forbade females from reigning, had more petticoat rulers than most countries.

We now have several periods of Louis XV: Regency of Duc d'Orleans, with and without John Law; du Bois, submission to Rome; Fleury, coldwars; Pompadour-du Barry, <u>apres moi le deluge</u>.

70

1754 U.S. WMiller:92 war

Braddock's defeat. ("Interwar"!) Frequent other fighting, too. [Suggests vigorous efforts at westward expansion, leading to more war, blurring line between peace and war.]

[Using peacediv to expand not only vents, unleashes workers and forwarders, advancers, but provokes more wars. We were on a roll, 1720-63. Walpole may have stifled Eng. at home, but not in Am. colonies, and expansion hastened after 1740. We went from salutary neglect to salutary aid - to malignant repression.]

72

1758-61 Eng. Jameson:72 $

1st Wm. Pitt, Earl of Chatham, "The Great Commoner," conducted war in such a way that his statue in London commends him as minister "who had made trade flourish by means of war." See NCE:516. Pitt rose to power by opposing Walpole.

Cromwell, also associated with commoners, did same thing in wars vs. Dutch et al.

73

1857-73 U.S. Cornick:20 x

Only 15 years between busts. Civil War inflation had saved finances of some municipalities after 57, let them have another go at it.

Thus, wars have more than one effect. My major thesis is, they raise national taxes, hold down lv. They also soak up unemployed, repudiate old debts, etc.

Again, 1913 was time for another crash; 1907 showed the impulse. Eur. war perked up demand for current goods, but also raised i.r., raised taxes, held down demand for land. The preceding coldwar/naval-race kept up taxes.

111

[As to rails, they were surplus in 1942, trains were short and few.]

In general, we enter wars with excess capacity in xptn. War draws on this frozen K, thaws it into expendable goods. Even the aborted R.R. from Mobile north was useful in Civil War.]

113

1866-72 U.S. x x

Gilded Age occurred while "Radicals" were in power. They must have been "radical" towards s.e., rather than at home. Likewise McArthur must have seemed a "radical" to the Japanese, while a reactionary trend developed at home, [with him as a symbol].

In both cases, ff. a few years of reconstruction, right-wingers at home allied with right-wingers in defeated lands, as winning the class war took priority over winning the regional war. It is international and interregional warfare that abates class warfare.

115

1869 ireland Rbnsn:602

English church disestablished in Ireland, tithes abolished. Before this, Catholics taxed to support Prot. church. [Crimes of Chas. V, Philip II, Catherine de'Medici, Louis XIV, and Duke of Alva were avenged on Irish, as today crimes of Hitler avenged on Palestinians.]

116

Cf. Italy, about this time, explosion of opera. Cf. literary flowering of n.e., time of Longfellow, Emerson, Thoreau, Hawthorne, Lowell, Whittier, Holmes, etc. Social conditions produce a flowering of certain kinds of activity at certain times, highly concentrated in time and space.

117

1873 world Estey:96 x

Eng, U.S., France, Gy and Austria all hit. 1857 hit all but Austria; 1837 only Eng and U.S. (I doubt that.)

118

1895-1914 world Felix:29 x

Eur. K went to same regions that were also taking Eur. immigrants: U.S., Brit. dominions, Argta, Brazil. [Fits the HG model], evidently violates Heckscher-Ohlin [as Felix understands it].

125

1914 u.s.,chi Hoyt:413 x

Peak in area subdivided in 1933 limits of Chicago. This occurs before there is a blip in lv, and is ff. by only a modest, temporary rise.

Chart shows two series on subdivision: the other is for lots subdivided in Chi. metro area. This series peaks 1891, and 1927, extremely high off trend. It also peaks 1914, but in very subdued way.

Thus the 1908-15 development was <u>much</u> healthier than in the other periods. It was infilling, subdividing inside the city. There was no land boom. There was also stability in bank clearings, also shown - notably moreso than in booms before and after.

130

Peacediv 5. Rules (and fallaciies)

1717
~~1817~~ fr, sp perk:533 rule

"A prime minister who wished to become a cardinal shaped the policy of the country to gratify that ambition." Re Alberoni, and Dubois, 1717-21. From Pope's view, "it was a mine which could be worked indefinitely." Cf. Wolsey, 1515, he wanted to be Pope.

2

.... Pirenne

Mantoux says Pirenne says capitalism moves forward (or wherever) in discontinuous bounds, each new stage wrought by a new class of people. Quantum leaps. (Maybe so, but discontinuous change also results from boom/bust cycles, wars, bursts of inventions, etc.)

Schumpeter with his gales of creative destruction o'looked Pirenne's important angle on it. These new "classes" of people are often religious dissenters and minorities, whose distinctiveness or persecution bonds them together, and may also scatter them, so they form networks for commerce. E.g. Quakers, 17th-18th cents. Jews. Chinese in S. Seas. Etc. Italian traders + bankers, 15th c.

2

0000- rome Kautsky:411 x

Urban lv very high, "early Christian era." Houses in Rome went 7 stories high. "Real estate profiteering" common. Crassus of the triumvirate "had gained his wealth by such speculations."

Thus, land tenure is ancient, and speculation is also, so we should expect to find "modern" principles at work in ancient times. They do not wait on the commercial or industrial revolutions.

3

[Thus, one thread in dynastic nation and empire-building was that a, women inherit property and power, and, b, they need to merge with a male warrior.] P.6, Eleanor's dad patronized poets and singers, theme of courtly love and manners (hence chivalry, women's rights.) P.55, girls were dynastic pawns. Cf. Mary of Burgundy: Cath. de' Med.: Cath. of Aragon; Mary of Scotland: etc.

7

The greater the wealth, the less equal the shares.

7

1154-89 ireland Rbnsn:601 plunder

Reign of Henry II, english first plunder Irish land, take revenues. Constant rebellions result.

Territ. expansion is one use of (and therefore one sign of) a peacediv. Expansion leads to more war, a + feedback loop, until one is strung out and must back off. It displays a reserve of unexhausted vigor, national unity and parity, ambition - the reverse of the class war, quiescence and containment of Walpole, Chamberlain, George III et al.

9

1174-83 Eng. Walker:190
Eleanor imprisoned, Salisbury Castle, for plotting vs. Henry. Henry tries to divorce her, marry daughter of Louis, cement French alliance. A Cardinal rep'g Pope says no. [Couple this with dynastic marriages, gives popes great power. Note, Pope missed a chance to aid peace btw fr and eng. Perhaps he wanted to keep them divided.]

9

1200- Fr. Levasseur:19-22 x
13th cent., reclamation and frontiering outspeeds rising popn. (In spite of Philip II and Louis IX? Pieces missing. However, like Henry II of Eng. expanding into Ireland, this fits pattern of vigor unexhausted by victory, parlaying peacediv in expansion.) Grain price falls, real wage rises. Continues to 1350.

11

1200- gy Nabholz:V
13th, Hohenstaufens weaken, central power fails, gy breaks into pieces. They fight each other. Leaders had to give their own land away to get aid. (Thus, war is redistributive.)
(Thus, gm labor fairly well off until victorious lords returned from battle of Pavia, 1525, to unite under Emperor Charles V and put down Peasant Revolt.)
(Gm. business and finance doing well, too. One suspects Chas. and Ferdinand, et al. Habsburgs, ruined them, too, as they did everything they touched, well before the 17th Cent. wars. They milked the bankers for all they were worth, then repudiated.)

11

Maritime life substitutes K for land. 14

1337 fr,eng nce:2128 war$,parity
1337, beginning of 100-years' war. Edw. III invades. 1346, Philip VI loses Crecy. To raise revenue, Philip the Unfair sold privileges, taxed salt, debased coinage: lacked tax system. Note he <u>sold</u> privileges, rather than revoke them. Lost war by fostering disparities, while Edw. III ruled with advice and consent of Pmt., and also fostered bowmen.
This must have been a bad time for France. 15

1348 Eur WMiller: 4 ? goof
Makes facile error that black death caused universal poverty; overlooks distrib. effects. 16

1377 eng fr Rbnsn:251 defeat, victory
Death of Edw III. French had won back all their lands. [John

II was inept French King, 1350-64, captured at Poitiers, 1356, spent most of reign as Eng. prisoner. Chas V, The Wise, son and regent, succeeded him, 1364-80. Chas. was good administrator, raised taxes, nearly drove English from France, with his great General Bertrand du Guesclin.]

[4 years later, 1381, Peasants' Revolt in Eng. Rule: losers face revolts at home.] 17

[Antwerp was the Free Trade City beginning halfway through
The Merry Century, 15th. Coexisted a long time with
Staplers, monopolists, who stayed in Calais until 1558.
16th Cent. was that of nationalism, land-grabbing,
repression: Chas. V, Francis I, Henry VIII, Philip II,
Northumberland, Bloody Mary, Eliz. I, etc.]

[16th, Antwerp sacked by Spain, blockaded and betrayed by UP. Yet 16th was called the Antwerp century; it was clearly running out toward end of 16th.]

[15th was Flemish + Italian Century; 16th, Antwerp; 17th, Dutch; 18th-19th, English; 20th, American.]

[Note that high point of Eng. w.r. occurred not just during war, after plague, but also when trade was monopolized by Staplers and wool guilds. Adversity impacted rents, not w.r.] 19

1450? Eur opp:234

King limits rents of "knights" to fixed am'ts (so he can take the surplus). [This must be how tenants got fixed rents in m, gained from infln. Kings might then foster infln., to increase the surplus they can tax!] Cf. 1550-, Adams 1921:43-b, 16th cent. Eng, many gentry received fixed rents, got hurt. 20

A decaying buffer provides peace dividend: shelters w/o threatening. 20

Rule: a peacediv received in form of usable, settleable land makes for parity. 20

However, like all repressive instns., it paves way for forcing down wages. Cf. U.S., W.W. I et seq.)

21

1550- Eng. Adams 1921:44

Owing to primogeniture, younger sons of landowners were displaced too. But they often had some capital, went into ventures. Thus, some rent was forced into K formation.

28

1550- N.Eng. Adams 1921:48 x

Land could not be granted to individuals by the chartered cos., but only by the king, by application on behalf of individs. by local councils. (However this was often pro forma.)

[Thus, Plymouth proceeded illegally to have them farm "each on his own pertickuler"? Not really, because they didn't grant

title to land, just possessory interests. Precarious tenures did not stifle enterprise, just as in N.H. after 1650.]

Connecticut was the one state where titles were legally granted, all copasetic. This may account for its slow development! Adams 1921:418. Confirm dates.

28

1556-98 Spain CHW:548 War$;psych

Philip II used Spain, taxed it and used its manpower.

P.549, Spaniards accepted "as a divine mission the task of preserving political order and religious orthodoxy in Europe." I.e. they were like Americans today.

[Why, then, did they war on France? ~~One could argue that~~ French were ~~too~~ tolerant, esp. after 1589. Spanish were much less cosmopolitan, sophisticated. They are not the only nation that thought it had a "civilizing mission." Indeed, that is the rule among No. 1 powers. However, a major factor is ambitions not of Spaniards but of Habsburgs.]

30

1600- world Adams 1921:41 x

Basis of title to newly acquired lands gradually shifted from Papal sanction to discovery. Rent-seeking. Based on Roman Law, finder can appropriate what belongs to no one. Heathen was no one, nullus.

[As it turned out, settlement was the final sanction in most cases. Possession won out over distant sanction - provided possession came early enough. This must greatly have stimulated migration, premature development.

As to last, note that land settlement can waste capital, just as xptn lines etc. can, if the settlement is premature. Rent-seeking causes that. As noted elsewhere, rent-seeking outlays need never by recovered, look to remote futures.]

36

1620- N.Eng. Adams 1921:152 x

Levying taxes was a mere development of the right to assess shareholders. Cf. MWCs of s.c. (But they taxed others anyway.)

40

1645 Eng. chron:614 war

Cromwell wins Naseby, ending war. Chas had had loyalty of rural eng; Pmt had urban plus the navy, [i.e. maritime eng., now a major interest group, likely to be Calvinist parlayers, revolvers, outputters, funders, financers, turners, wheelers, casters, repeaters, interested in MROR.]

46

1678 Fr Perk:85-6 pax

France gets lands, e.g. Franche Comte, from Spain. This is Louis XIV's high water mark.

[Fr expansion had no help for Fr. w.r. because they took lands already settled. Aimless powerseeking, unlike Cromwell's directed warfare influenced by merchants allied with workers. Thus, any Fr peacediv would mean lower taxes, higher rents.]

55

P.173, noble Huguenots had deserted faith, lured by promotions and pensions. Turenne, like Condes, Colignis. Bribes were not offered to the humble and industrious. [Cf. U of Calif.]

56

1690 pa WMiller:82 psych

Anglicanism making inroads on Quakers, just as it was doing same on Congos in Mass. Anglicans less intrusive, no demands for stewardship declarations, etc.

This, the "Restoration Syndrome," easing standards, tolerating sloth and luxury, paves way for boom and bust. "Postwar Syndrome" is more general; also, "Post-Puritan Syndrome." Cf. Samuel Butler, Hudibras.

[Anglicanism plays role similar to that of Darwinism, later: elitism without accountability.]

[When was the bust, or fall? 1695, 1698, and above all, 1720.]

59

1690- Eur Kenn:76 $

To pay for wars, nations developed national banks, and systems. All wars were financed by borrowing, to avoid domestic unrest. (Also to avoid progressivity, as I recall from w.w.I debates, HGB.) Also to throw into battle the decisive margin.

Amsterdam, London, Vienna, best credit ratings.

NEEDED: data on Austria, a key player.

60

1694 Eng. CHW:568 $

Bank of Eng founded. Note how great financial "advances" are followed by crashes. 1st Bank of U.S., 1791; 2nd BUS, 1816; Nat. Banking System, 186?; Fed Res System, 1913; etc.

1837 followed weakening 2nd BUS. However, BUS had been strong during much of period of buildup, failed to stop it.

60

1700- sp, fr perk:252 x

Spain by 18th cent. only wanted to keep its empire, source of wealth: Mexico, Peru, Naples, Sicily. Sought French alliance, protection of Louis XIV. Named a Bourbon as new King of Spain, Duke of Anjou. Louis' vanity led him to allow it, knowing it meant war.

[Thenceforward, Sp. Bourbons became simply caciques, stagnated but stayed rich by letting others bear cost of war.]

63

1718 La. WMiller:37 pax x

French found N. Orleans, to anchor La Salle's claim to entire Miss. Valley, and forestall Spain.

[Controlling river-mouths does not, by itself, hold valleys. Sweden got mouths of Weser, Elbe and (Vistula?) in 1648; France had Quebec and Montreal; Dutch had Manhattan; etc. You had to

settle the valley upstream.]

66

1720 Eng. Versteeg:270 $

Bubble Act, apparently outlawed land-banking. P. 256, it definitely "prohibited land banks." [Mints is silent; Hammond is supercilious.]

Hammond stresses anti-corporate nature of Act, and of Eng. devmt. ff. Eng. was very anti-corpn., or at least general incorp. There were a very few particular corps.

Hammond overlooks fact that this was period when Eng. raced ahead of world in business innovation. War and small business were associated with rapid advance.

67

1750- prus opp:269 x

Officials put state above class interests, except as they are drawn from wealthy class. Therefore, the best officials come from poorest states. "Prussia, ... was formerly indebted to its poverty for that incomparable body of officials who handled it through all its troubles. (They were) dissociated completely from all interests in money making, directly or indirectly."

72

[In endless struggle of rent-takers of the 1st and 2nd kinds, all deflationary factors help the 2nd kind, and v.v. Creditors might therefore engineer a contraction by encouraging shortage of liquid capital, as by freezing up K in p.w.]

76

1780- eng. CHW:829 x

Canal and turnpike boom. Cf. Culloden. (Did this boom really begin in middle of war? Maybe it was more during interval of peace, 1781-92. It's possible, Eng not fully committed to this war.)

More likely: Eng. built infrastructure during and around wars, and spawned industrial revn., 1739-1815.

(When did prior boom end?)

(How reconcile with slow enclosures, 1780-90? Enclosures depend on specific price of corn.)

81

1800-1900 U.S. Goodrich:257 x

Resorting to public credit to build p.w., xptn, "lasted longer in the less developed or the less wealthy areas."

1800-90 U.S. Goodrich:278 x

Main purpose of p.w. was to raise value of land.

91

1803-1890 U.S. Goodrich:276 pax$ $

Few states levied state taxes for p.w. (These were revenue bonds then, mainly.) There were many large "exceptions": NY, Pa,

Ill, Baltimore, Ohio (he left out Mobile here). That is quite a few large exceptions, and he may have left some out, e.g. special assmts in NY, as reported in Commons.

Overall, tho, the impression is strong that heavy use of prop. tax lay in the future, during Progressive Era. [Ham and Madison had done their work well.]

93

1806 U.S. WMiller:145 pax x

Surplus in Tsy - Jeff like Walpole, tax-wise. [Millis counters.] But Jeffn wanted to spend surplus on pw, dev west - like JQAdams, HClay later. [He didn't do what he wanted to, tho, except Nat. Road. Why not? Nat. defense was demanding. Also, maybe there really wasn't much surplus, owing to slow land sales ff. 1798. Besides, sales were on credit, yielded little current cash.]

Considering subeconomic nature of many pw, such devmt is "fiscal equivalent of war", ["onerous" taxes] esply for taxed regions.

Thus, ironically, it promotes production and some devmt. in very regions subject to onerous taxn.

N.E. opposed westward orientation, stuck with Federalists and Atlantic orientation, lost power for decades.

93

Why were Madison and Jefferson allies? Both were anti-Federalist. Madison helped write Constn. in order to weaken it, remember. Rather than Hamilton's ally, he probably was holding him in check. They clearly agreed, though, vs. Fed. and state taxes on land, favored tariff/excise combo.)

94

1815 prussia Morier pax

Prussians become extreme disciples of free trade in land, create the most impersonalized, commercialized land system in Europe. No entail or primogeniture even. [From this came Junkers? They were there before. Point is, free trade in land did not weaken Junker class. As George said, it merely helps market fulfill its centralizing tendency.]

96

1815-1914 world Kenn:152-3 pax

Remarkable century of near peace -- and 5 major crashes. P.152, eng army stagnates. P.153, armed services consume only ca. 2-3% of GNP, eng. Russia, France, Prussia, Austria had much larger forces. [And they o'took eng, whose indl revn occurred during wars, 1769-1815!]

97

1819 U.S. WMiller:151 x x

U.S. "buys" Fla., ff. virtual conquest by A. Jackson, operating quasi-independently.

Note, this expansion, like La., and Guadelupe-H., was pushed

by slaveowners. They need to valorize slaves.

Polk's 54 40 or fight slogan was probably designed to rouse northerners' militancy, to support slave expansion de facto.

The other groups favoring expansion are: outlayers; spec. rise-takers; mg. labor.

99

1832 Eng. Jameson:11 classwar

Parliamentary Reform Act broadened suffrage. New Parliaments passed new laws congenial to middle classes. [Thus, landowners coopt. capitalists. Ambivalence of Capital makes its owners vacillate in their class loyalties.]

103

1842 pa Goodrich:67 pax x

Pa. insolvent. Depth of depression.

Pa. even more reluctant than NY to pledge taxes. They expected to abolish taxes! P.80, so did Md. (N.J. may have been the model, with its D&R Canal. So might J.Q. Adams.)

1842 ny Goodrich:53 $

NY revives state prop. tax, in financial urgency. (May well have aided revival.)

[The NY-Chicago Axis. They grew up together, a matched pair, both taxing land.]

105

1848 U.S. mg paxdiv

Peacediv at Guadelupe-H. took form of vast land acquisition. War was not costly, so dividend of new territory was what counted.

Same was true in 1803, 1819, various Indian wars, and acqn. of N.W. too. The last occurred in steps, politically, but in step with settlement of Texas.

Knocking out Mexico no doubt strengthened our hand greatly in dealing with Eng. w.r.t. Ore. Terr., 1846.

107

class war

War psych in s.e. Slavery barred from Calif., slavers slavered for Cuba. President Pierce assuaged s.e. with navy ships, later used vs. them.

[Slavery is inherently expansionist, needs land to valorize slaves. Ff. 1865, we stopped acquiring new land.

1852- ala. Goodrich:158 109

1860-1913 Russia Kenn:233- x

Rapid growth, rails and indy. <u>Sucked in world K</u>; much absentee ownership and control.

P.236, local govts had no fiscal autonomy; local infrastructure lacking.

P.241, highly <u>regressive tax system, sales taxes on food, vodka. Neglect of basic education</u>.

Subtheme, or one finding: regressive taxes do not stimulate K fmtn and production. Russian growth was unbalanced, and low

p/c, and she lost power, and incurred high debts.

112

Land acquisition requires no K recovery. This also applies to acquisition via rent-seeking. Thus rent-seeking investment ties up K forever.

121

1900- U.S. Hoyt: x x

Bankruptcy is more than a zero-sum thing. It is a symptom of o'priced land. People are buying, and not making it. Next step is, they stop buying, stop leasing too.

Likewise, internal pvt. debt is more than zero-sum. Most debt comes from hocking r.e. R.e. gets hocked only when it is worth borrowing on. (Then, lenders become rent-takers of the 2nd kind.)

DATA NEEDED: Check history of internal debt. Guess: it does not rise much in progressive era, in spite of high building. Reason: high prop taxes kept lv from soaring. Cf. H. Hoyt series on lv and bldg. Progressive Era is only time building soared and lv didn't.

But also check data on muni and state debt. Hi taxes would foster their borrowing, as in the 1920s and 1830s. Did they restrain themselves in Progressive Era?

Also consider possibility that the restraint of Prog Era was on x-subsidy, as evidenced by Hoyt's data on land dev inside and outside city.

127

1904 U.S. WMiller:336 $

U.S. would not let others intercede to enforce debts in western hemisphere, but would do so for them. Thus, it took over customs houses, and administered taxes. Did this several times in banana republics. (Possibly discriminating for U.S. exporters?)

[Creditors are rent-takers. Intl. creditors via borrower govt. are rent-takers of the 3d Kind. This is a 4th Kind: intl. creditors protected by another power. They correspond to caciques.]

127

1918- U.S. Kenn:280 pax x

Excess capacity, u.s. shipyards, steel, farming. (Effect somewhat like free land, causing postwar boom.)

(There was also excess capacity in 1930s. What was the difference? Cartelization may have created it.)

133

1926-29 U.S. WMiller:377 classwar x

Ff. war vs. Gy., U.S. employers won their class war vs. labor. After 1926, relaxed to enjoy it, watch stock prices soar. A peace dividend results from winning both kinds of wars.

But high rents also lower MROR, hit movers ["Calvinists"] too. (Hence sometime alliances of Calvinists with labor.]

136

Here is another division. 1, Property divided into Calvinists, or ICInvestors (income-creating investors) depending on MROR, v. rent-takers. "Business-people" may be the best term, making it clear from the start that the term excludes rent-takers. 2, rent-takers divided into equity v. creditor interests. 3, Those who lend to I-C Investors are a 3d Class. "Factors" is a name, but confusable with factors of production. "Busy-money" lenders is good. "Business lenders" maybe good.

136

1927 U.S. Estey:49 x

Bus cycle thinking was so crude that Carl Snyder, leading writer in field, said there were no real cycles in the modern sense until ca. 1869. 1819 and 1837 and 1857 were just "episodes." Cites Snyder, Chap. 1.

136

1945- axis Kenn:426 lag x

High postwar cap fmtn in Japan, Gy. Why? War devastation created sense of insecurity; also, habituation to low consumption. Reality of low taxes, security under U.S. umbrella, took long time to sink in. In gy's case was also Marshall Plan aid, etc. Gy, highest gross investment levels in eur. Wirtschaftswunder.

An ec powerhouse that loses a war remains an ec. powerhouse. Cf. France, 1871-, 1815, 1763, 1713, ...

138

Peacediv 7. + Feedback loops.

1600- Eng. Adams 1921:299

Mercantilism, certain towns were designated the "staple," or sole market for certain "enumerated" goods. [Thus The Staple town collects extra rent. Rent-seeking would result - with the "result" preceding the cause! "Coming events cast their shadows before them."]

With nationalism, all England became The "Staple" for certain goods. P.300, it worked both ways, colonies were protected in their monopoly of tobacco. Growers in England had their fields trampled down annually by royal troops of horse. Imperial vertical integration was the idea.

35

1699 U.S. Myers:57-58

Eng. restricted mfg in colonies. Result, money withdrawn from active business "... and invested in land and mortgages."

Note positive feedback of prosperity, investing in capital: it creates motive to sell land, gain $ to invest in K; and land sales raise invt. outlets for still more K.

Note cause of hostility of landowners to avanceurs.

61

1720 Fr. perk:482 x

Law, having turned Catholic, made comptroller general.

Raised dividends to correspond with high price of shares. However, with dM, i.r. had fallen to 1.5%, lowest anywhere.

67

[Hence, double relation of stock and land mkts.
a, stocks boom when underlying assets boom;
b, Gains from one mkt feed into the other.]

67

[Here rise-taker was U.S. Govt., used $ to pay debt, thus created pvt. K.
+ feedback = DANGER! Collect list of + feedback loops.

103

1836- ala. Goodrich:170 war$

Ala and Miss got additional funds from sale of Chickasaw lands. Thus, Indian wars paid for themselves. Plunder took form of land sales. Just like in Europe. A form of super peace dividend. More + feedback, DANGER!

104

1870 U.S. WMiller:272 x

With new tariffs, Am. steel rails challenged English.

(Monopoly in U.S. was always tariff-protected in large part, peaking with Smoot-Hawley. Hence our need for anti-trust, ICC, etc., after Civil War. Lag between need and reform engendered radicalism.)

[Evils of land concn. magnified by monopolies. Hence, long slumps. The cure for slumps (tariffs) made them worse by

supporting monopolies.]

116

1880- Eur Kennedy 89 x

Jostling for colonies in Africa, Asia & the Pacific, "partly for gain, partly out of a fear of being eclipsed." Same as "competitive emulation" in western canal boom. Fear of being eclipsed, retaining market share, etc., mean profitless expansion is accepted, w/o K recovery.

120

Motor-driven navy required coaling stations, hence colonies. Colonies required navy: positive feedback loop.

123

[+ feedback: high rents lower MROR, raise lv, lower MROR more. In summary, summarize + feedback loops that make big swings.]

136

1600- Eng. Adams 1921:299

Mercantilism, certain towns were designated the "staple," or sole market for certain "enumerated" goods. [Thus The Staple town collects extra rent. Rent-seeking would result - with the "result" preceding the cause! "Coming events cast their shadows before them."]

With nationalism, all England became The "Staple" for certain goods. P.300, it worked both ways, colonies were protected in their monopoly of tobacco. Growers in England had their fields trampled down annually by royal troops of horse. Imperial vertical integration was the idea.

35

1699 U.S. Myers:57-58

Eng. restricted mfg in colonies. Result, money withdrawn from active business "... and invested in land and mortgages."

Note positive feedback of prosperity, investing in capital: it creates motive to sell land, gain $ to invest in K; and land sales raise invt. outlets for still more K.

Note cause of hostility of landowners to avanceurs.

61

1720 Fr. perk:482 x

Law, having turned Catholic, made comptroller general.

Raised dividends to correspond with high price of shares. However, with dM, i.r. had fallen to 1.5%, lowest anywhere.

67

[Hence, double relation of stock and land mkts.
a, stocks boom when underlying assets boom;
b, Gains from one mkt feed into the other.]

67

[Here rise-taker was U.S. Govt., used $ to pay debt, thus created pvt. K.

+ feedback = DANGER! Collect list of + feedback loops.

103

1836- ala. Goodrich:170 war$

Ala and Miss got additional funds from sale of Chickasaw lands. Thus, Indian wars paid for themselves. Plunder took form of land sales. Just like in Europe. A form of super peace dividend. More + feedback, DANGER!

104

1870 U.S. WMiller:272 x

With new tariffs, Am. steel rails challenged English.

(Monopoly in U.S. was always tariff-protected in large part, peaking with Smoot-Hawley. Hence our need for anti-trust, ICC, etc., after Civil War. Lag between need and reform engendered radicalism.)

[Evils of land concn. magnified by monopolies. Hence, long slumps. The cure for slumps (tariffs) made them worse by supporting monopolies.]

116

1880- Eur Kennedy 89 x

Jostling for colonies in Africa, Asia & the Pacific, "partly for gain, partly out of a fear of being eclipsed." Same as "competitive emulation" in western canal boom. Fear of being eclipsed, retaining market share, etc., mean profitless expansion is accepted, w/o K recovery.

120

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Peacediv 9. Export: save for Logos, taut., fallacies, &c. docs.

.... Acts viii, 20. logos
Peter to Simon: "Thy silver perish with three, because thou has thought to obtain the gift of God with money." (simony)

410 rome Rbnsn:31 war
Alaric, a Goth serving in Roman forces, turns coat and plunders Rome, altho not damaging it seriously. Augustine, City of God, seeks to divert blame from Christians.

1190,ca. Eur Rbnsn:206 logos x
Teachers of Paris form a union, called universitas, name for corporation in middle ages. King and Pope favor university; faculty regarded like clergy, get many of same privileges.

1200- Eur Rbnsn:208 psych logos
Cult of Aristotle begins. Scholars accepted him, along with Bible, church fathers, canon law and Roman Law as last word on any subject. [Authoritarian acceptance of one dogma makes vulnerable to transfer attitude to another dogma, provided they do not overlap and conflict much.] Albertus Magnus, d. 1280, and Aquinas, d. 1274, commented extensively on Aristotle, "The Philosopher," fascinated by his logic, astonished at his learning.
"Scholasticism." Neglect of Greek and Roman lit. Arid. Training in making fine distinctions, carried too far. Cf. French Jesuits, 17th-18th Cents. "Decadent, arid, involuted Scholasticism," chasing itself in every-narrowing circles, sums it up. Call it "The continental disease," for Eng. seems more free of it.

1290 Eng. Rbnsn:210 psych
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Mainz Bible printed, first printing. German towns, art of printing spread rapidly. 1466, first Italian printing, use of Italic type. 21

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Calvin's Institute(s?) of the Christian Religion, more widely discussed than any other Prot. treatise. Orderly exposition of principles; "formed a convenient manual for study and discussion." Logical mind, clear and admirable style. 26

1538 rome Rbnsn:319 psych
Loyola in Rome, founds Jesuits, organizes on military lines. 26

1541 Geneva NCE
Calvin, originally French, returns to Geneva after exile to institute theocracy. 27

1715- Fr. perk:10-12 psych, logos
"Bigotry went hand in hand with immorality. ... the contest over Jansenism was waged w/o intermission. The articles of belief so fiercely discussed were metaphysical subtleties ... which now seemed w/o meaning to intelligent men. ... the intolerance of the Jesuits and the higher clergy had become unbearable. The Jansenists were loved for the enemies they had made."
"An instn which had absorbed a large proportion of the wealth of the community and refused to share in the public burdens, ... which declared eternal salvation to depend upon the acceptance of incomprehensible subtleties ... could not continue to control mens' minds ..." 66

1761- Fr. perk:306-7 $
Louis tried to abolish local "States," the provincial governing bodies. Succeeded only in part. The provinces that kept their local states remained more prosperous. Burdens may be the same, but "the collection was in their own hands, ..." "In the provinces where the taille was collected by means of the local States, it was imposed upon the land. It was assessed and collected with ease and with certainty. There were few unjust exemptions; the rate was free from violent fluctuation; farmers and peasants bought land or adjusted their rents with reference to an impost which was certain and uniform. The contemporary writers all admit the advantages of a system which the general government failed to introduce in the rest of France."
Colbert wanted to extend system, failed.
Berri, a province with a good system, by A. Young.

74

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77

1769-74 rome nce:2061 psych
Pope Clement XIV. Weakness of papacy vis-a-vis rulers of Catholic nations became a spectacle when he was forced to suppress Jesuits, the only group in the church consistently loyal to the pope.

77

1790-1810 Eur Jameson:75 psych
The Romantic Movement. [A reaction vs., or amendment to, Age of Reason. Rousseau. Beethoven et seq., i.e. the great pd. of music up to Verdi and Puccini, Wagner. Wordsworth, Byron, Keats, Shelley, Longfellow, Emerson, Thoreau, ...] Romantic nationalism. The Hero.
In U.S., a land little cultured, it cropped out in emotional revivals in forest communities of the west.

86

1800- Eur.
Romantic movement had little effect on "classical" p.e., that I can see. Malthus and Ricardo and Mill et al. were less romantic, more classicly rationalistic, than Smith. Smith was perhaps more romantic than Quesnay.

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