No. 202 | NAME Mosk, Ec. Hist. of U.S.

Ec hist U.S.

SCANNED

AS

FOUND

Zahler, Helen S. Eastern Workingmen & Nat. Land Policy, 1829-1862. Columbia, '41

Between 1820-41 descriptions of idle

After Skidmore, e. labor opposed selling land, as this meant capitalists got it.

"Exemption", meant homestead land, acquired by residence by 1862 law, not liable for previous debts. Distan tly related to "inalienability" proposals of Solon & Moses. & cf Skidmore, who wanted land to be non-heritable. & Inheritance as lever for reclaiming land in Eng, Denmark. Lvt is like inalienability, but workable.

HD216
33

I wonder if eastern interests who imposed homestead system on W. had in mind that such isolation would keep farmers disorganized?

It worked that way, anyway.

Hansen, Fiscal Policies & Bus. Cycles. Ch. 1

± Δ in "purchase" of durables is one test-essence of cycle. ± Δ in "rate of real inv."

Minor cycles more often small recession in upswing than small boom in downswing. All booms interrupted.

8 yr cycle, varying from 6-12 ~~8 yr~~. 3.5 yr minor cycle. (but how distinguish?)
p. 19

Worst bust's feature ~~increasing~~ constr. low. In 30s, other kinds of inv. recovered.

Prolonged 'hard times' - Kondratieff cycles - defined by falling P & i.r., & unempl. - not so much by retarded Δproduction.

Good	Bad	Good	Bad	Good	Bad
1787-1815	—	1843 - 1873		1897 - 1920	— ?
Ind. rev.		r.r.		elect-chem.-auto	

3 explanations: Innovations, frontiers etc (Schump., Wicksell, Spiethoff)
War (Giriacy Wantrup
Gold & Price (Cassel, Warren & P., Woytinsky)

Gold expl only good ~~to~~ 1849 - 1913. Is a result of P movements more than cause. Nowadays gold has little effect on m. Antic. returns to cap. more imp. Hansen even thinks MV will adjust itself to ΔT

R.r.s continued being built at high rate in 80s, but amt of constr. remained const., so Fe & steel ceased to grow, inv. in it lagged, here was gap, is acc. principle.

Expects technology to open new fields eventually - maturity not forever, just a stage. He goes with Schumpeter.

But end of extensive frontier & Δpop. (6s) he expects to limit. & he doubts if intensive can ever be as 'buoyant' as extensive.

Notes: Atlantic, Aug '46

Vienna Congress, 1815, big powers submitted their proposals for the small ones to sign or reject. Versailles, 1919, Big 3 agreed among themselves, small powers had to accept. No agreements can be hammered out by large parties of sovereigns.

Dutch vegetable gardens will feed them this winter. Belguim and France too; Greeks still fight and starve. Austria relies on UNRRA, which is ending. Czech food ok; ploand not.

At Versailles, free Danube navigation was agreed, from Ulm to mouth; U.S., France, British investments there. International and European commissions governed river. Today, Russians insist that only the nations along the river govern it, while we want to have a say. No traffic admitted to cross Russian American line today. We siezed and impounded several German and Austrian boats, t force Russia to accept our river terms, but in vain.

Ulm, in mid-Bavaria, evidently head of Danube navigation. Everything below it depends on Danube transport.

→ Undeveloped water power in this area tremendous.

1942, British brought tanks and troops to King Farouk's royal palace to force him to name acceptable premier.

The Phillipine Trade Act provides for trade with them for 28 years. Our money invested there. They are not independent. They are not trading freely with other nations.

? Our committments to Japan and China are unprecedented.

In Latin America, over 3 b. "blocked" dollars.

Govt loses good govt personnel because of low salaries.

? — FR Board survey of Liquid Assets: 60% held by 10% spending units; 3% held by 50%.

Britain, in war: workers swelled trade unions, increased incomes which were taxed away.

British labor came to power without Marxism. Proving the dissociability of characteristics to some extent. Despite marked resemblances, each pv is an individual. They may be grouped together only by considering one characteristic alone. Of course a marked correlation of characteristics exists; its degree is a fascinating study.

Marxist "theory, dialiectics and dogma" divided continental Marxists from other people by a wide gulf, save in Scandinavia and Britain. The continental socialists are therefore totalitarians, unlike Angles and Norsks.

British "working class" now has a small bourgeous psychology, having some privileges. Radical revolution averted by smaller concessions. Now the fight is inside labor, the privileged laborers against the others. The type of work being done by labor in power is so revolutionary and critical that power has to be concentrated in a few hands---a democratic dictatorship, they hope. Labor in power has secrets; policy in opposition may be made by all elements; policty in power is made by the Cabinet of the Parliamentary Labor Party.

Exiguous: scanty.

Extremists form the pole toward which politicians must compromise. Extremists usually only gain power by force, impose dictatorship.

At Labor's conferences in Britain the vocal extremist minority is heard, but the politicians must keep them stilled or lose popular support.

The "reddest" unions are the Welsh and Scotch miners. But even they voted to reject Communist affiliation.

A woman from Jap prison camp says that middle aged women, deprived of artificial beauty, lost morale

Radio: licenses granted under "perpetual jeopardy" originally, supposed to remain the property of the people, be used for public service or else. Direct control the weapon of public. License are for 3 yr. maximum. At each renewal of license, broadcaster must prove that his use would "better serve the public interest" than his competitors'. FCC the agent of the people in this. Applications for new stations were granted or denied depending on whether the FCC Thought it "appropriate for he community concerned!" What arbitrary power! No wonder monopolies. Not only outright granting and rejection of wavelengths &/ their power, but determining power allowed, etc, all done by FCC. 1937-9, legion of Decency had control. Then Fly, new commissioner, dropped all restrictions, renewed contracts automatically . Wartime building restrictions ended fear of competition. The high tone programs are for smal special groups only, really. But as a public service some stations put them on anyway: implying they have a surplus with which to do it: ec. rent. Proctor and Gamble, 22 m $/ annum for radio time.

Of each revenue dollar, 17¢ kept as clear profit before Fed income taxes ~~¢¢~~ in '37, 33¢ in '44. 222% profit on depreciated cost of tangible property(excluding wavelength evidently) , 1944. Bigger companies, higher %.

Leo Tolstoy, advocate of the simple life, had a wife who disagreed heartily, wanted parties. Tolstoy himself was torn between his intellectual appreciation of the simple, rugged, productive life and the fleshpots. He was a rich nobleman. His wife thought him slightly mad, wanted physical material security. They had fantastic mad quarrels, were reconciled. Don't look for the perfect understanding wife: none such exists.

Only I think it conceivable a wife might share to some degree one's goals. Women in general are ungodly materialistic, yet some have been known, to a greater degree than others, to share their husbands goals, To do this they must want to work. The housewifely attitude is incompatible with this. If a girl wants just to sit at home and mind children, she will demand larger appropriations to fulfill this function, ---yet that is not necessarily ~~/z/o/i/z/~~ the trouble maker. Her desire for night clubs would be. ---? Unselfishness is the keynote. I have at times listed various virtues I want in a girl; I am now convinced the most im ortant, overshadowing most of the others, is unselfishness---whether or not accompanied by a rational attitude towards it. Even if a girl is sometimes unreasonable, goes into little pets, you can ignore her for a while and keep on getting along. if she is not selfish.

Cultivate a woman like a garden---David Cohn. Men resent women because they were yoked to them in childhood, more in the U.S. than anywhere. I suppose my suspicion of women has some such base. Maybe my solution would best be to find a foreign woman, not steeped in American nonsense. Better yet to find an American who has been subjected to it and not been taken in.

Atlantic, Nov '44

R.r.s claim they pay 10 times in taxes whatthey get in dividends, duing war. $3.b.

In south, even small income families can afford a negro servant. Yet they do not industrialize first, but last, . Negros manage to multiply despite low standards--they are not down to subsistence.

Each southern white voter has power of two or three elsewhere. But despite this, N.Y., with losest power per voter, has still the most power actual. New Yorkers are elected president.

Southerners tried to prevent the negro exodus by violence. Wartime freezing of labor by federal fiat hurt efficiency of new industries.

Status of southern negros has improved tremendously in last 50 years.

Notes on Atlantic, '44,

April

Prague, after Berlin, is Germany's greatest indus rial center in war. Nikopol and Drivoi Rog manganese.

in 1939 and 40 the British "paid their war debt three times over in the higher prices of American goods".

3.2 million American fed employes, wartime peak. only 10% in Washington; 60% in munitions industries.

Garand, of the rifle, is a govt employe drawing $6,500/annum, gets no royalties from the rifle, it is made by govt in govt owned and operated plant(I judge) for $14. less per rifle than private enterprise---because of patent monopolies, presumably.

All the big govt employes are Republicans in the war---the industrial leaders.

Bureaucratic example: a surplus of blue paper; order goes out that memoes must be written on blue paper; blue paper runs out, but has to be renewed so people will have blue paper to write their memoes on. Free market would force producers to h ld it off as needed, etc.

Fed jobs now spread out, and local politicians have patronage in them. SEC in Philly, Patent office in Richmond, REA in St. Louis, etc.

Luther: strongly anti-Semitic. Western Europe brought tolerance to Germany under Napoleon, anti-Semitism hence associated with German nationalism.

Even Western Germany never developed a middle class strong (?). Calvinism was middle class; Lutheranism supported authority.

Great German thinkers never thought to consider government--- it was not their r alm. German "Romanticism" was pessimistic, brooding.

Oct '44. Atlantic

Swedes stopped trading with Germany.

1919, Junkers supported Social Democratic Party of Gy, "lest worse befall". So with all temperate reforms--they parry the demand for real reform.

Germans deliberately flooded Holland and Belgium.

United States Lines runs series of free trade ads, wages funded.

Vargas, Dictator of Brazil, succeeded a long time democratic govt in depression. Brazils relatively democratic tradition prevents his being a typical Latin tyrant.

Gibbon's work on Rome is much more popular than equally reliable sources. His variety of writing styles, and power, explain popularity. Writing is important.

Gibbon gave up a beautiful wife for a comfortable inheritance.

In 18th century wars did not affect people by much ravaging, even in conquered lands.

English Catholics have been successful in getting privileges for their schools because strong Anglican church has allied with them to do the same thing for themselves.

A higher % of the pop. of Eire fought in the war than of Northern Ireland's "six counties"--or is that what the six counties are?

The"annual" increase in no. of American families is 550,000. Average no. of houses built per year is near the same f gure I believe--what then of maintenance and replacement?

The demand for new housing comes from those with incomes over $2,000. in 1925, biggest year, such families spent 12¢ / $ on housing.

C. 1844, the taste was against Jacksonian ism and for dandies, in literature. Cooper was rejected by the literati. The fashions of Paris were their meat.

What is today's counterpart? The thousand trivialities of Winnetka against any sort of rugged philosophy.

New York about this time had less poverty than Europe, but still had considerable.

New York native rich dissipated and lost health immediately; English gentlemen kept their health and intellect.

June, '44.

Our military law came from Gustavus Adolphus, thru the British. Junior officers are more likely than old timers to be harsh.

Aug. '44

Richard Wright, whose writing is fascinating, ; a negro. Joined communists, relates experience in which a lunatic escaped from an asylum, joined comm. club, made a great furor and disputation, finally was recaptured. How many leaders are lunatics? who have never been caught?

Linnaeus was almost a popular author in early America; they liked his nature descriptions.

Van Wyck Brooks writes of the "literary circles". I suppose that a study of opinion formation must account for them, too. But isn't there some way to study them without reading the esthetic drivel written ad infinitum about them? Richard Wright's communists were mostly authors of novels and painters! Bryant studied economics, was a free trader, wrote for political jounals. Is there not some one means of expression which is a general index to all current thoughts? Probably not. The fads and schools come and go, bearing among them irreconcilable contradictions. One can select the important kinds of ideas ---important to himself that is---and follow them. If he followed organs of other kinds of expression he would find in them reflections of the ideas that interested him, but by so doing would gain nothing more than by direct study of his interest. Items that motivate behavior are my interest, which is unlimited---but suggests special areas of concentration. Read the political economy of the day and you'll have a good idea. The styles in lettres and painting and music will fill in the picture already seen; study of the belles items first will fill in a blotch and you won't see the whole picture. The greatest value for social study of the lettres is anecdotes of everyday life, which may be obtained elsewhere; also they reveal, tho dimly, current attitudes of significance.

The communist party, says Richard Wright, is full of charges and counter charges, reprisals and counterreprisals.

July'44.

Boston Irish at first terribly segregated and shunned, developped the most solid group consciousness known in America, in Boston. They have recently persecuted Jews. 1885, they began to feel political power. In political control in Boston, the Catholics run the public schools. Catholics join with reactionary "Watch and Ward" society to ban things. Since the old Howard is not closed, one must conclude that social implications, rather than immorality, determines the censorship. The least privileged Irishmen persecute the relatively defenseless jews, partly taking out their hate of the Yankees. The individuals who were apprehended from persecution were uniformly stupid in school, children of chronic reliefers, often with sex abberrations and were bastards. Father Coughlin relied mostly on Boston support. Lemke was Coughlin's man. The Catholic clergy support Jewish persecution--Binder made the same statement.

Atlantic, May '44

Wallace Pratt, of S.O. of N.J., puts our oil reserves at 100 years supply.

The modern "advanced" ideas about individual treatment of criminals lead from a government of law to one of men.

A steel producer's agreement keeps the price of steel on the west coast higher than elsewhere. The "Basing Point System"--you must sell steel in California plus the charges of freight from Pittsburgh, even tho it is made in Calif!!! Kaiser's Fontana plant is free of this. Puget sound could take iron ore from nearby Canadian mines, and the ore is duty free; coal is there, and in Canada too. Magnesium, aluminum, fused plywood, wartime western industries. Railroad rates and patent pools hurt the west. West asks subsidies, like lend lease--they want to continue it.

Will the westerners get the govt owned plants now in the west? I believe the report Herb gave me indicated such plants were distributed in accordance with the existing structure of privilege. My general postwar impression is that the wartime migrants have stayed west to a considerable extent, but a noticeable portion have returned east.

Thomas of Utah was a Mormon missionary to Japan once, is the Senate expert on that country.

Birmingham is subordinate to U.S. Steel, in hard times its plants are shut down first while Pittsburgh operates.

Birmingham steel is produced more cheaply than Pittsburgh, but it costs exactly $5. more per ton---the "Pittsburgh plus" polciy.

In 1940 the Reynolds Metals Co. was urged by Lister Hill to "produce aluminum". The Office of Emergency Management had to approve the request to get cheap TVA power, and refused, but lost out in a struggle and had to do it. Reynolds then got an RFC loan at 4%, for a mortgage; ALCOA of Canada, a subsidiary, got a 2% loan without collateral. Costs went from 20¢ a lb to 15, thanx to this competition, while in previous war they had risen to 30¢.

The difficulty in understanding belleslettristic approaches to social history is that those who write about it, being addicts themselves, are not logical nor clear.

"The German mentality is indifferent to political or social questions". Th mas Mann.

The Japanese language, Nihongo, is not derived from Chinese--just a few words. Philologists cannot agree on its derivation. A very poor language, it has borrowed extensively, partly from the West, mostly from China. The ponetics are odd, makes transliteration hard for them. They had no written language until about 400 A.D., then borrowed the Chinese. The Communists visited remote Siberian tribesmen and developed written languages for them. The Japanese language must be fairly difficult as a tool of thought. Their language demands --or their character--complete instructions. Do not say something leaving obvious details for granted.

Oct/'43

Sept '43

The key in the '21 depression was inventory accumulation. It was tremendous in the era of high prices, oddly enough, and low in the succeeding times. High prices must encourage speculative holding of goods, and the speculators are ruined in the dpression, unload, etc.

A woman whose other was a teacher writes how she reacted to it, and chose to have a home of her own, be a mother, make her children happy. Parallel to Diane. But what is to become of a mother when her children are all grown up? If she has devoted herself but to them, what is to replace them? Shall the home break up? Surely she must prepare for old age in middle age, somehow. If she has learned to get along with her children, she could still enjoy them considerably. If she would accept them, without tyranny, they could stay at home, --that is the olden way. Also she should have

many children, so she shall hardly be thru with the last bringing up when she is ready to die. But that is too cruel. A life devoted to the home need not be ruined when the children have their own homes. Gradually as one ages, and the mind succeeds the body as the center of sensation, ones social interests can increase, if one is prepared.

January '44

British conservatives would tend to favor free air compeition, the Laborites prefer "chosen instruments".

Southern industries are owned by outsiders. Even if freight rates were equalized, the southerners would not benefit. Which leads to this question: since presumably the same stong groups who "rig" freight rates also own the south and west, why do they do it? Is it perhaps a myth? Are the rates perhaps justifiably higher because of less traffic?

Feb. '44

The Smith -Conally Act, requiring 30 day strike notice in wartime, has been ignored in 95% instances.

Since war started, payrolls have doubled while income from property increased 40%. Not so much the increase of rates, but the increase of men at work is responsible. Large movement from lower to higher paying industries which he does not consider as an increase in rates, but obviously is. The national wage policy has had very little effect compared with simple market factors. Wages have risen at a steadily decelerating rate, regardless of controls.

This "spiral" idea: that wagescannot be raised without raising prices, that this leads to further wage increases, etc---utter confusion. It assumes, first, that wages are not determined in the free market. Second, that the economic mechanism has but to be slightly altered in one place and the redounding effects will rebound to produce an endless chain to which the shallow proponents can see no end, for they see no elements but prices and wages. Actually an inflationary pressure, i.e. the creation of new purchasing power without corresponding surpluses to be purchased, will spend itself when the new demand has been sated by production--but then the recipients of the purchasing power in turn have the inflationary threat, for they have, in effect, given the old society nothing and have purchasing power. Once such an item has been introduced into the economy there is no escaping it. Gradually it will become distributed among the economy so that all prices are slightly higher than before, in a ratio just equal to the ratio of the purchasing power introduced to the previous supply of money. The price rise will not be just in industries the new purchasing power originally went for, but in all, by the attraction of those new industries for the factors of production. In that very attraction, wages will rise along with the demands of other factors; in terms of goods their demands will not change. Now why keep prices down to help the poor laborers? Because it takes time to make the adjustment is the only defensible argument, and the disputes in changing wage rates in our present semi-static system might hamper the war effort. Whether they make more trouble than OPA is questionable. That economists do not see this, that they talk learnedly of unlimited inflationary spirals, is a tribute to their colossal ignorance. Laissez-faire needs an economist who can simply repeat Adam Smith and Henry George in terms of modern banking textbooks!

Why won't wages and prices just rise to balance each other ad infinitum? When wages are determined in the free market, because some will be willing to work for enough to live on, or whatever the old standard is, and as for prices some will be willing to produce at the old level. Wages and prices are not such unstable things as the spiralists assume; they are not changed by a sort of general psychological consensus. Prices would not rise were there not excess purchasing power to pay the rise . If there is, then labor will flock to

the source of the new p.p.,(if possible) and all wages will rise. If not possible, ----///but they won't rise further than the continual influx of purchasing power allows. And prices won't rise farther either. When both wages and prices have risen so that no excess purchasing power exists, they will cease to rise. A quantity of money approach. Velocity is not involved, for that does not create new purchasing power, must go with production. (Increased velocity of deposits, with increased interbank balances, may be tantamount to an increase in money supply, an exception) Well, if it is not possible for others to tap the source of the new purchasing power their wages must rise anyway to keep them above subsistence. The new purchasing power will appear to be creating a demand which causes this, and stupid people will explain it that way.

Index of cost of living does not reflect decreased quality.

More than half factory workers are paid by piece work or bonus rather than time basis.

January '41 to July 43, factory wages rose faster than price indices, even after correcting for shifts to higher paying industries. (Sumner Slichter is authority for all this) The index considers above ceiling prices, but not deteriorated quality.

The "little steel formula": 15% increase from about 1941.

The possibility of the "inflationary spiral" is that prices would rise in anticipation of labor's ability to meet them by increased wage demands. But that involves immense speculation in goods, no competition, and a refusal to take advantage of immediate high prices (due to the "artificial" or speculation scarcity) in anticipation of future prices no higher and in some doubt. As soon as the first speculators raise the price, they will be undercut.

He distinguishes "wage rates" from "straight-time hourly earnings". What is the difference? Perhaps rates are divided by product instead of time.--in his narrow imagination.

More workers, increased hours, and movement to higher paying industries, plus a small increase in time and piece rates caused the notable "rise in wages"; only the last was really that---well, so was movement.

Now that the change is over, in midwar, the increase will slow down and cease. But the production of items for destruction inevitably keeps this purchasing power coming in to "non-producers" with an unending tendency to raise prices.--fortunately balanced by opposite trends, in increased productive efficiency.

It is remarkable, thinks one, and I think so too, how the temptations of government for corruption are not taken advantage of.--how honest officials are. Pressure groups the main source of dishonesty. But the character of people is such that they can administer govt.

In bad times new ideas are accepted readily, the college economists are called for.

In order to have one's ideas accepted one must have, mostly the backing of authority; hence people in Washington are most anxious for, not money, but authority. Having seen their ideas rejected because they lacked authority, they become discreet, liars.

Hans von Seeckt rebuilt the Reichswehr--he was the leader. In 1923 pres. Ebert had to give him full military control of Gy. because of disorders, but he gave it back because he thought he could not keep it, the time was not ripe. Schleicher, who was chancellor between Bruening and Hitler, was of the Reichswehr, long a control behind the scenes, forced into the open at that time. The officer corps in general, aside from Seekt and Schleicher, "had no political aspiration, wanted to concentrate on military problems". The S.S. etc were not of the old army, but Nazi groups to control the army and all others. Hitler or at least his party was truly in supreme command, the army just working for him.

July, '43

"We spend about 13 times as much to control crime as we spend for education". So? p. 65

LaFollette says that after studying the Congress of 1789-99, he is convinced that today's is of higher order.

Congress is too small and poorly organized a body to handle large enterprises.

August, '43

World pop has increased faster than food production in the last 50 years. Double or triple present production is needed.

Henry George News:es:

March, '45

Great Britain, with 35 m spindles, against America's 22 m, produces only 1/6 the number of yards of cotton textiles. He attributes this to Britain's failure to utilize the latest technological advances.--Wmm Batt.

Coaldale, Alberta, neighbor of Milk River, is going to assess values and try l.v.t. for a year.

Turnover of land is rapid in booms.--supporting my financial interpretati on.

In Cal well over 100 single tax communities, whose bonds have an unusually good market because of the revenue behind them. The bonds were issued for vast irrigation improvements.(Cal. stats 1909 p. 461 and 1931 p. 233 give the legal basis. They had to wait for state law) Over 4,000,000 acres of the richest truck farming land so taxed. Hardly an appreciable portion of California's 60-100 m. acres, ? depends on its distribution. This is the most highly mechanized agriculture area in the world.

Nov. '44

Henry C. Simons, Ass. Prof of Econ at U. of C., clear Hayekian ideas of free trade and free enterprise.

May In England land taxes are based on the rent received, hence idle land is not taxed.

1700-1845, rents rose 1000% and wages declined as a proportion./En/ In England.

Chesterton and Belloc were inclined to Georgism, Shaw and Wells to socialism.

Franz Oppenheimer a Zionist, and it was his plan of lvt which was introduced at the Basle Congress of 1903 and Hamburg congress of 1910 and perhaps is the base of Palestinian lvt today.

Brazil has a strictly enforced law against foreign ownership of any interest in mining, but the American Smelting and Refining Co. has been given control of the rich Tocantins nickel deposits in Goiez by presidential decree. The country is ruled by decree, a small governing clique: 20 to 100 people.

Chief Justic Marshall, in Providence Bank vs. Billings, 4 Pet. 514,560 said that if govt required the full rent of land it would impair no contract. Calif supreme court in Mercury Herald Co. vs. Moore, 138 Pac. (2) 673, said title to land is a privilege, not property, may be taxed. But many opposite court decisions could be cited.

"When the U.S. Steel co. was first organized, Pres. Schwab gave the assets as 1.4 b. $, of which $1.3 b. was for the Mesabi Range, according to "Truth about the Trusts", by John Moody. Today's Moody Industrials also lists the assets of U.S. Steel. How?

June '44

The land boom is greatest in those states in which land taxes were not reduced in depression(as in Illinois). Nebraska kept taxes

Notes on Boston Henry Georvge Publications

They assert that international finance has been controlled--int. exchange rates I mean---by the rich for their advantage.

The Farm Security Administration is for the small farmers, the Farm Credit Administration for the big.

Standard Oil bought 2,000 patents from I. G. Farben before Gy. invaded w. Europe, for $1. These are not now available to the public, like the other German patents.

When the WPB gave the liquor industry permission for produce civilian goods for one month, a nine month supply was forthcoming.

Immigration is not up to the quotas these days.

The Truman committee has uncovered reams of good info, as against Ford for example, his connection with monopoly, restricted production.

Frank Underwood revealed that his job in preparing tax returns is to allocate items to as many untaxable categories as possible, minimizing the taxable ones. Corporation reports which are published, etc, do not reveal much that is significant. They are a poor source of information.

They suggest that patents be on public record and rented out to the highest bidder. [Dubious.] Just one bidder?

A fire insurancemonopoly, based on rat fixing, so that for fire insurance the premiums are 2-3 times the payments in damages. Mr. Herron mentioned the sa me thing.

The insurance company extra income is ~~////~~ listed as "overhead and operating costs".

Government subsidies went only to those producers whose costs were too high to make a profit at ceiling prices----it says here.

The Kilgore committee, also has good stuff. Ass't Atty. Gen. Wendell Berge rakes up good muck. Send for the reports. Various patent and just monopoly devices of the big companies.

The O'Mahoney committee also produced evidence on monopoly methods. Send for those reports.

New England Power Co. owns Vermont's water power resources. The flood control problem is utterly ignored by them, andthey have no interest in it. Some means of cooperation must be found.

Sterling Products, and Ethyl Corp, are independent research organizations that have done well.

The Coke and Gas combines of New England were indicted for monopoly practices.

Large American concerns who made deals with German companies were given the American domestic market in return for the world market, in general.

Prof Allport says that American psychology is ripe for a crusade--in 1944.

The American British mica caretel stifled American production for Indian. It also developed false engineering standards which indicated its product was of best quality, while U.S. Burea of Standards tests differ.

As March 15 approaches, so does absenteeism by employes, who fear moving into higher tax brackets. Troelstrup claimed income taxes did not stop production. They must have a similar effect on executives.

Large business' insurance rates bring in less income than the losses, but the rates for ~~large~~ small companies exceed damages paid by 50%. Source not given.

The Federal Reclamation Act prevents fed. water contracts for irrigation to blocs of more than 160 acres owned by one man.

The southern CIO unions do not discriminate negro and white. They failed?

Harpers, August '44.

In 1929 we were the worlds largest single importer of raw materials. They are our chief imports.

There are some communal farms in Mexico. The Russian embassy spends lavishly for society and propaganda.

Vargas in Brazil persecutes communists, jails them.

Mexico's exports largely raw materials.

Great wartime Mex. inflation.

Mexican atrocity tortures of politicalenemies.

All but one s.American "republic" had depression revolution.

We have bought tremendous amounts of La in American products not for use but for preventing their going to Germany I guess. This leaves the Latins with much money, few goods, inflation.

Mexican village communities have certain "ejidos", or communal lands.

Latin American the only trading area left in the world halfway free to outsiders.

Our gold buying during depression was to equate exports.

Russia has vast gold deposits, could develop them and get our products easily.

5 most densely populated areas in the world: the Atlantic seaboard, the English Midlands, the Be lgium-Luxe bourg area, the Ruhr, Honshu-Kyushu.

Ruhr most highly developed industrial area in world. R R.s more dense than subways of NYCity. More cars loaded there in '37 than in Mid-Atl, Midwest and great Lakes "traffic zones" together.

Post war 1, Ruhr coal mining modernized wonderfully, so that the most modern methods of mining were used there when less than 2% U.S. mines were mechanized.---a dubious figure. American loans were basis of this new "rationalization".

Big Nazi coal barons: Thyssen, von Kirdoff, Tengelmann.

Nazis forced occupidd countries to give them 51% ownership of all companies.

December '44

We spent money in this war at 5 times the rate of the last war. Yet land values for residences are still below those old levels. --well, '27 levels anyway.

Germany probably got more from a neutral Sweden in trade than it could have by conquering her.

London and N.Y. dominated maritime insurance.

Our blockade by these economic methods was far stricter than the ship blockade of the first world war.

We simply raised the price of things Nazis could buy from neutrals and got them that way. This was bonanza for the neutrals. & created good will, unlike blockade.

Franco was exasperated with the Japanese, who confiscated Spanish property in the Phillipines.

British depend on Spain for 40% iron, all potash; Spain needs oil. Britain's tend erness with Spain probly the result.

Free lance writing probably would involve popularization which I do not wish to indulge in. I think the best for me is the college position, developing theories, and writing less popular books. Yet free lance writing would avoid the drudgery of teaching. It depends on what sort of articles they will accept from me. If none, then college; but if the sort of articles I consider worth having published are accepted, then that is the work for me.

German resurgence in '33 could not be opposed because of the economic dependence on Gy of so many small European countries.

In the 20s we considered Gy a better loan risk than other European countries.

Aside from Coal, few German raw materials.

Harpers, Dec '44, cont

1880, Britain had ½ the industrial war potential of the world. Now, under 10%

German industry has never produced near ful capacity, except in war.

It was a "happy, prosperous Germany that went to war in 1914"

In crisis, men react uniformly, tho they are very different in liesure.

Canada had more trouble than we did with unemployment and depression, esp. the agricultural areas, hence mo e willing to change.

In Canada and Britain there is that social pressure which makes people volunteer instead of be drafted, etc. This is like the Eskimo, helps socialism work but makes people stupid and conventional.

'30-'35, Canada had a one man rule, violently new deal. '35, King was elected as reaction, has been in ever since.

Canada pays a baby bonus to all with incomes under $1,200.

In the Dead Sea "inexhaustable" deposits of potash, mg, etc. Also perhaps in Salt Lake?

Egypt is more ready for self government than other ~~European~~ Levant nations.

The landowners of the Levant without exception lined up with the Axis.

Iraq received 80 m $ in Oil royalties over 15 years, but that did not improve the lot of the fellahin.

Mesopotamia: centuries of ravage and neglect transformed the most fertile area in the world into a half desert.

Pop. of Iraq only 3,500,000, very sparse, settlers needed. They've asked U.S. aid for irrigation program.

The Greco-Turkish exchange of population was a mutually voluntary affair, of great benefit to both involved.

Biro-Bidjan was a Soviet Jewish colony, a failure, because the Jews were not anxious to go. Palestine has caught their fancy.

The Jews are the only people around Palestine of democratic ways and productivity. The arab pop of Palestine increases when they are there, because of their superior organizaition of production with a place for the Arabs as laborers.

Egyptians speak Arabic, are Moslems, but their Christian minorities are safe, unlike in Levant. Educated class, free well developed press, "sound economy (?), considerable experience in self govt.

Honan campaign of May, American trucks used by Chinese were used to carry govt officials families to safety, while bullocks of the peasants were conscripted to carry military supplies. Enraged, the peasants deserted to the Japs.

Stillwell gave what American supplies he could get thru to the Chennault Air Force, or a Chinese-American brigade. What he have to the Kuomintang went north to fight the Communists, or was stockpiled for that purpose.

Stilwell kept insisting on reforms in the Chinese army, without success. Chiang was powerless, for he had to have warlord support. Warlords do not want big offensive for fear the successful generals will take them over. Chinese did not furnish their services to us under reverse lend lease, but demanded cash, and at the official rate, 10 times the real rate.

British want to keep China weak, to keep their privileged position there.

Washington, D.C.: one of the worst governed, crime ridden, most unhealthy and expensive cities in nation: congress has too much authority to do any of the jobs well.

Chinese soldiers, untrained and unequipped, fight bravely anyway. (?) This was never said of the Filipinos--it was said by some, come to

think of it. Maybe conflicting opinions of the Chinese might be found.

Federal landownership is tax exempt, a problem for cities often.

Municipal landownership considerable in Finland, from olden times. Less so in Scandinavia and Germany. Finland, until 19th cent., granted tracts of land for founding towns, restricted towns in giving up title, so Finnish towns still own most of the land within their boundaries!??? This is just small country towns evidently. Stockholm acquired 20,000 acres, or about 30 sq miles, since 1904. Berlin owns 1/3 its land.

Harpers, Pril '44

East Harlem--Italian, Negro, Jewish. Absolutely dominated by gangsters.

Beginning with agrarian legislation of Stolypin ~~of~~ in 1907, Russian peasants were free to withdraw from village commune and set selves up as ~~proprietors~~ free proprietors. 200,000 landowning gentry owned most of the land. In 1905 the average peasant held 28 acres. In 1914 the nobility owned less than 1/4 land, and the proportion was continually changing in favor of the peasants. The Church and the Crown owned negligible amounts of arable land, much farm land. Authrotiies recommended: Geroid T. Robinson, "Rural Russia Under the Old Regime";(scholarly) Thomas G. Masaryk, "The Spirit of Russia". Author of this article, Wm. H. Chamberlain, claims to be refuting erroneous information of other sources at variance with his,.

Everything indicates that Russia before the revolution was slowly beginning to make progress, the revolution was not such a drastic change in some ways.

Chamberlin has dug up an amazing lot of misinformation about Russia, emphasizing again how careful one must be in accepting statements ~~of~~ in print. Sources belied: Dorothy Thompson, Emil Ludwig, British Minister of Information, Leland Stowe, Joseph Davies, Life, Wendell Willkie, Bernard Pares(not really condemnatory of him) Walter Duranty, Wallace Carroll, Arther Upham Pope, The Nation, Beatrice and Sidney Webb, Larry Lesueur,.

The Russian Review, Encyclopedia Brittannica, considered more reliable sources.

In Russia the Jews, given free opportunity, left their traditional professions and flocked into others. Same in Palestine of course.

Prewar, 30 million American families, and 10% had fulltime maids!

1898-1940, % of Americans in domestic service declined steadily from 2.8% to 1.6%.

1940 survey of Washington D.C. showed that average weekly wage was $8.10, white and colored being paid the same, working 12 hours a day. I wonder if the figures one sees on 19th century working conditions are equally distorted?

No fed. insurance and protective legislation affects domestic servants.

Prewar dishwashing machines were not much good.

In many American small country communities, religious instruction is given in connection with the public schools. Until 1830, education was all in religious, sectarian schools. Then it became accepted public policy to support schools, probly because it was so easy to do it by giving out the school section of land. Not until 1874, in the Kalamazoo case, was it established that taxes might be levied to support high schools. Probably the atmosphere of writing of that time which I have noted previously reflects the fact that only a very very vew people got to go to school, it was an expensive luxury, it was for the religious more than the dandies, hence they studied hard and wrote well, tho probly not intelligently. By 1830 the sectarian schools had opened theirdoors, and their teachings, to all protestants,

Harpers April '44 cont

and by 1900 teaching had become secular, largely thru the objections of Catholics and Jews. During the change first protestants, then Christians, came to realize they were sects, tho at first they interpreted themselves as "non-sectarian". In 1900, state aid for sectarian schools was stopped, about then.

Now the Catholics maintain that schools should be run by them and financed by the state.

The bickering of sects was a mai n force behind establishment of secular schools.

Dr. George Rex Mursh all, ////// of Ohio Dept. of Welfare, and Dr. Hightower of Ia. U., concluded from tests that there was no correlation between religious instruction and/or biblical knowledge and other evidences of morality, as lying, cheating, being in reformatory, etc.

New York State has approved the use of public funds to transport children to parochial schools. (Wisconsin, I noticed, defeated such a proposition in the latest election).

Anaconda Copper and Montana Power rule Montana. They, together, are "the company". "American Power and Light" owns most of the voting stock in Montana Power. Some farmers got the State Water Conservation Board to construct a diversion dam for irrigation upstream. Mont. Power Co. sued the board for taking its water, was licked.

Mont. Power, like many others, strenuously promoted sale of preferred (non-voting) stock in the area it served.

Fed. Power Commi sion directed that utility equipments be evaluated at "original cost" for accounting, ordered the co. to show cause why it didn't do it.

The preferred stock, scattered thruout Mont, brought many political supporters to the company.

Mont. Power was evaluating its equipment on the basis of increased land values, and FPC was objecting to that; that was the dispute.

Anaconda is chief customer of Mont. Power. --in 1940 it used more power than the entire airplane industry. What for it doesn't say.

1912, Thompson Falls power site sold for almost $1,000,000.

Ryan used a position or positions of trusteeship to make a personal fortune and empire in the Montana companies. He sold items to himself for immense personal gain. That is he got companies in which he had a power to buy things from him for more than their value. He would be paid mostly in stock, newly printed for the occasion.

Stock titles differ from deeds in that nothing limits the number of stocks which may claim the same property. The speculative rise in land values operates mostly by an increased value attached to the deed to onepiece of land; in stocks, not only are shares increased in value, but more stocks can be printed and sold, watering the stock. Of course many stocks are protected from this by legal provisions, but evidently many others are not. Probably some provisions are based on value, others on absolute amounts of shares; the latter are good, the former would not rise so much in boom because the trustees would print more stock instead of letting present stock rise so mucn, maybe, in some situations, as when they give the new stock to themselves by shady deals.

FPC was temporarily thwarted in ordering Montana Power to comply, but is still on her trail as this article is written.

Tyranny of mothers in old Brahmin Indian families.

Harpers, Oct '44

The Chicago Tribune's stock is worth about 74 m $.

Service industries are growing more than manufacturing now.

Among savages the word for "man" is the same as the word for their tribe, all others being considered something less than men.

Criteria used by anthropologists in distinguishing races: cephalic index, profile, nasal cavity, hair.

Howells' Manking So Far recommended .

All various intelligence tests given in U.S. reveal negros on Bottom, southern Europeans next, up to Nordics on top.

National Research Corp, Richard Morse president. Here is an answer to the research for small business problem. Buy your research, instead of having your own staff.

Many commercial laboratories are showplaces for public relations, rather than devices for invention.

It is obviously not desirable that every invention should be immediately applied, even if an indubitable improvement, for it may be less expensive to use up the old equipment more first.

But if there were no protection at all against being undercut by an unending chain of new research, people would hesitate to invest so much as is necessary for efficient production. A confused person could put up a good argument with that.

The Chase Nat. Bank is the "Rockefeller Bank".

One German Busch, dictator of Bolivia from 1937-9, tried to buck the tin company with his American allies, lost out.

Jan, '44

Miami, big air base for south American connections. Many foreign lines fly in the Carribean, are permitted to use Miami; but no American lines except Pan-Am.

Our airline requirements are felatively rigid, enforced.

Our international air travel develops by bilateral agreements with individual nations, not general principle.

Europeans have considered international airlines mainly as an avenue of empire.

The Europeans have reached South America, but Pan -American flies more miles than all the others put together. Pan Am loses money in the Atlantic and Pacific sometimes, but makes enough in South America to get it all back. About a 2½ m$ net income, reflecting a capitalization of 100 m, mostly the value of the privilege? Probably not, since the privilege loses money in atlantic and pacific. Australia refused to let Pan-am fly in there; we refused to let the Dutch KLM fly to Manila. etc.

Grace lines own many banks, factories, etc, in S. America.

American Export, a shipping line, tried to bust Pan Am monop. starting in '37, but was blocked until war started. Executives of the state and other depts. decide what is "in the public interest". Early '42, Am. Export allowed to fly. Given mail subsidy.

Canadian "Trans-canada" line is the chosen instrument.

Even Sweden has a monopoly airline.

Germany at considerable financial loss developed airlines thruout South America for political and potential military purposes.

Stettinius is Juan Trippe's brother in law.

In the 20s were three lines in south america competing with Pan-Am, driven out by the subsidies given to pan-am.

Railroads average 1¢/ton-mile, planes 50¢.

We plan to subsidize merchant marine after the war.

Oil in the Arctic. Higher density of ocean animal life on Arctic circle than equator.

Great petrol resources are found in areas of landlocked seas, in geologic history at least. Arctic is such a region.

Fort Norman on Mackenzie R., tremendous oil reserve of ~~[illegible]~~ us and Can. govts. We explored it. I imagine the public iskept pretty well unaware~~[illegible]~~ of navy oil reserves. In Alaska, as at Point Barrow, many reserves.

The Air Corps is getting its oil from Canada while the navy holds unused a large reserve in Alaska.

Many seepages thruout Canada's icy north, well known to trappers and Eskimos.

The Greenland ice cap grows thinner toward the north, thicker toward the south.

Harpers, Jan'44, cont
The northern end of Greenland is almost free of ice.
Great oil reserves also evidenced in Siberia.
In the 1920s, New Yorkers were accustomed to seeing many buildings being demolished to be replaced with skyscrapers.
1913, tariff receipts were 1/2 govt income; 1939, 1/5.

Feb '44
Roosevelt: in early youth a protected young man incapable of hard work, and so into early business career.
Mr. Roosevelt knew the rich were not villainous, but foolish and ignorant.
John Wesley complained that he could make no impression on the rich or the educated.
Roosevelt originally opposed govt spending but, when congress overrode some of his cuts, he saw the handwriting on the wall and followed the mob.
Sumner Slichter is a favored economist "among sophisticated business leaders".
The Bureau of Labor Statistics predicted 7-12 m. unemployed post war. Research Institute of America says 12 m. How wrong they are!
Submarginal chrome mine at Mouat, Mont, abandoned because Turkish chrome now obtainable cheaper.
The Defense Plant Corp, subsidiary of the RFC, built 9 b.$ worth of war plants. War and Navy Depts, and Maritime Commission, spent additional billions.
Sen. O'Mahoney accuses big steel, rubber, oil and aluminum companies of doing everything in their power to stifle their competitors.
Export Managers' Club rates our competitors as follows: Britain, Gy, rest of Europe, Russia, Sweden, Canada, remainder.
"Committee for Economic Development" is businessmen hiring professors to justify capitalism.
Nazis, like Japs, showed little adjustability in war. They stuck to their original plans and, if they failed, just kept on the same way. Thus they lost the battle of Britain by diverted bombing, instead of concentrating on industries.
The core of the German intelligence service in Russia was shattered by the purge of the mid-thirties.
1942 death rate, 10.4/thousand, lowest in our history.
Influenza epidemic of 1918 caused over 500,000 deaths, 10 times our battle casualties of that war. The deaths were all in America.
3 m babies in 1943, most in history.
Maternal death rate: 2/1000 births. 1933 it was 6/1000.
Auto deaths: 1941, 40,000; 1943, 23,000.
In England during the war nutrition was better than before the war, despite shortages, because of better sense.
English birthrate, too, has risen in war. German has declined sharply.
German food rations are far below subsistence and getting worse; health is poor. F 29.
Rumanian birthrate has fallen sharply.
1/20 Greeks born since 1940 is alive today.
R.r. traffic got into a terrible jam in N.Y. during the last war at one time.
Sir Oswald Mosley in 1929-31 was an outstanding Laborite socialist. Ramsay MadDonald's protege. Dissappointment followed Labor's failure, and Mosley formed a New Party, appealing at first to radicals and laborites.
Lord Rothermere, owner of Britain's biggest newspaper chain, openly came out for Mosley in 1934, to save us from bolshevism and socialism.
Authorities believe that the Pearl Harbor attack was undertaken by

the military without informing the Tokyo govt.

Jap war rationing carried on by neighborhood associations, revived remnants of the old community life.

Long queues in Japan, with rationing.

Price control caused farmers not to send their goods to the cities voluntarily.

Individual who lived in Tokyo when we were at war observes that his friends did not stop seeing him, remained friendly, but the very ~~strict~~ strict police probably made them suffer for it. Also in Russia one hears it said that the people are friendly, but t he police terrors. Whichis another feature of the generality that the arts of government are not well developed.

Large Italian colony in Tokyo.

Jap army trained by Germans, along German lines at least, to some extent.

6 b. of our 15 b $ gold increase from 1931-40 was transfer of capital funds from abroad.

30 b. of the 64 b. bank deposits now is estimated to be idle.(meaning what? surely not beyond loans, for banks are lending to the limit.)

1150-1450, the "Age of the Gothic", great period of construction and expansion, widespread high standards of living. Lacked machines but had other essentials of good life. Money system: bracteates(originating in Germany, so I suppose it is about Gy. that he is speaking) The bracteates were issued by local rulers, secular and clerical, and periodically changed. That is they could never be hoarded, for every so often all were called in and new ones reissued, at which time the old ones were worthless if not called in. Upon reissuing 5-10% was deducted--10-20% rather. Result was very rapid circulation of money. Also no one could lend at interest, for the interest would never be as much as he would lose on reissue day. So no one worked to accumulate credits, but rather land and goods. However I'd venture that the velocity was not too greatly increased by this process, for just as people would be anxious to get rid of bracteates, others would be anxious not to acquire them, and the two forces should counterbalance. Toward bracteate tax day people would stop working and just spend. Bracteates had little intrinsic value, were practically paper--just foil. This is to be said for the bracteate taxation: it was from one view, at least, not a tax on production. If one kept his money idle he was taxed, if he spent it he was not taxed. But on the other hand it did tax production. If one wasted and did not produce, therefore acquired no bracteates, he was not taxed; if he worked hard and put away bracteates, he was taxed. It would act to encourage spending and discourage production. To this author this seems to be the answer to today's economic problems. It would certainly ruin the credit system of liquid transfer of surpluses. It would prevent rich people from lending to others, force them to convert into goods and land. It would reduce the amount of money in circulation, a smaller amount at much higher velocity doing the job. It would not increase production, nor decrease unemployment---the same number of transactions would be accomplished with less money. Prices would rise sharply just before reminting day, to compensate for the altered value of money.

The bracteate tax is not, however, conditioned upon present, but on past production. It would discourage past production, encourage present production. The former means it would discourage saving of liquid assets. Idle bank deposits are not taxed; but invest the money in productive effort and it is taxed. Still, is there such a thing as an idle bank deposit? If the owner doesn't use it, the bank does.

If what is saved is not spent for production, then prices decline slightly and just as much is produced at the lower prices, and no one is injured because, tho he receives less money, he has to spend less money. The monetary explanation falls down right there.

Harpers, 'feb '44 cont

Further it falls down by this unreal concept of idle funds. What is idle about them? The banks assets equal its obligations.

A firm exists which does economic research for large corporations. Work for them?

March '44

Commonwealth and Southern, Willkie's company, did not pay any dividends oncommon after 1932. Morgan is chief interest.

It loses money; yet is one of the nations 25 largest corporations. ?

Financiers, unlike producers of goods, have been interventionist and internationally minded.

The depression of 1837 chilled expansionism. F 29

A "little syndicate" laid out Kansas City.

Chinese is the simplest great language in the world. No inflections, etc. Perhaps if it could be written in a Roman alphabet it would be good.

Rules for expression: Use sentences rather than clauses
Use word orde rather than word form
Use verbs rather than nouns
Use nouns rather than adjectives
Use words about people rather than things.

Pidgin English: Chinese ideas expressed in English words. Very direct, simple.

1940, 37% Argentine exports to Britain.

1940, shaved Brazilian tariff substantially.

Argentina, Bolivia and Paraguay in 1941 treated to study the Pilcomayo River as a common problem, to work out together a total river system.

Total Argentine foreign investment: 2¼ billion $, ½ held in England. This does not include the wartime capital deposits of Germany, a hedge against defeat.

The Argentine group "representing" American investment is democratic, that "representing" british investment backs dictator. Some Argentinians continually propose to confiscate foreign capital, but are opposed to local factions , mostly the very large landowners, who deal with theBritish; Britian buys their meat, and runs the packing business. The big city trade unions are radical, but the country landowners control elections in their areas and swing the vote.

Peron, like Hitler, seems to represent both the radicals and the reactionaries.

1943, June 4, the president military dictatorship was installed by coup d'etat. Immediately the London market for Argentine r.r. stocks improved.

Tannin, from Quebracho, is monopolized by a British controlled Argentine company, and we had to pay for the monopoly thruout the war. It is done thru the La Forestal Land, Timber and Railway Co, which produces 90% Argentine and Paraguayan tannin; and the Argentine Navigation Company, Dodero and Co, Ltd, which controls water transport on the Parana, Paraguay and Uruguay Rivers, by which Tannin leaves the country.

The German money in the country has been spent on public works. Does this represent imports from Germany, or delusion? 1 b Reichsmarks est. amount of German capital. A heavy trade between Germany and Argentina was carried on thru Spain: food for steel, machinery, ink, textiles, ---etc.

Home rule in the provinces ended, federal administrator supplied.

An American street car company in Tucuman was confiscated.

For a time, early in war, prices rose very high, wages rose little. But I read in paperat present the prices are very low again.

Solomon Islands: Lever brothers coconut plantation, oil for soap.
Harpers, December '43

The CCF, tho it started as a radical agrarian movement, has its strongest backing in the industrial sections of Ontario.

What has become of the agrarian backing of Bryan in U.S.? Why are the prairie states now so ultr-conservative?

Alberta for eight years was under the "Social Credit Party", under an evangelist, Wm. Aberhart, with "glittering monetary theories", which it coud not put into practice. Wonder what they were.

Coal miners of Cape Breton, support radical parties.

In Great Britain ~~and~~ some electric power and local transport is socialized, run by "independent public boards, selected for competence". Appointed, that is.

The socialization proposed by the CCF does not challenge private property in land, amounts to a greater New Deal. Subsidies and guaranteed price to farmers, e.g.

CCF, like crackpot govt economists, forewaw great postwar unemployment.

CCF wants to combine economic collectivism with cultural individualism.

Success of CCF at polls reflected long patient previous spadwork, crossroads speeches, etc. Especia ly strong with soldiers, lumberjacks, war workers and miners.

1867, original Dominion status, fear of U.S., tariffs erected, etc.

The wheat boom of the 1890s, from heavier European grain demands, justified Canadian transcont r.r., built earlier. Also stimulated industries of Ont and Queb.

A wheat specialized economy, foreign markets collapsed, sad situatiom.

Nickel and wood pulp trade with U.S. new industries.

1932 Ottawa agreements, Imperial preference. But England could not absorb all Canada's food, and Canada was invaded by U.S. capital getting under tariff that way.

→ 40% Allies Aluminum from Canada.

Half Canada's war expenditures from taxes, half from loans. 40% their loans taken by "individuals", nearer 26% ours.

→ No Canadian Wagner act, employers may refuse to deal with unions.

Less Canadian inflation than ours.

The leaders and oringinal organizers of the radicals are "intellectuals", tho support is from poorest.

Oswald Brownlee, research associate at U of Ia., published pamphlet declaring margarine to be equivalent of butter in nutritive value and taste. Farmers, enraged, demanded his resignation, etc. Many faculty members resigned. Artificial flavoring and coloring is standard practi ce in butter industry, but illegal for margarine. Tariffs, fed excises, state ta es on marg.

Those leading the oleo rebellion are the big cotton farmers, other vegetable fat landown ers. Fat from cattle also enters oleo, cattlemen are vs. buttermen.

The Wisconsin state tax evoked reprisals from southern states, bitterness.

Australia developed inland only when English demand for wool made it possible. Wheat in Canada, refrigerated dairy products from N.Z., gold in s.Africa---all this development possible by trade.

South American immigration hendered by fact land is all pre-empted.

Most of the countries "described as underdeveloped" actually have the basic public utilities in for far denser pop.s than have actually developed. A case of premature subdivision? Overexpansion of r.r.s? etc? Or is author all wet?

Most astounding wages-fund statement: "It wil take at the very least 1,000 pounds of capital per worker to provide a job for each immigrant seeking employment" and "Capital for about 140,000 workmen per year

Haprpers, Dec '43, cont
has to be found".

It is true that surpluses vastly facilitate exchange, for which service they receive interest. By so doing they vastly increase productivity. But it does not follow that production cannot occur without them, nor that their existence will cause production.

In the s.e. European countries where pop is rapidly expanding yet, author asserts that living standards are being pushed down, with a concentration in agriculture "almost Asiatic". But he may be way off the ball.

Dr. William, Russian immigrant dentist, who led reform requiring dentists to be licensed, ended the painless parlor which played on ignorance and fear. 1921, his year of final victory in N.Y.

He tangled with socialists, who refused to have to do with such superficial legislation as he suggested. They wanted all or nothing; he was satisfied to dis ipate his energy working for the smaller and more practicable reform..

Painless Parker one of the worst. Evidently San Fran lacks such a law as N.Y's.

Amazingly, this William wrote a "Social interpretation of History" with some suggestion that trade be a state monopoly, Sun-yat*Sen at one time endorsed it, and this writer in Harpers can get away with this article based on the supposition: a, that Sun really was permanently and significantly especially influenced by this book, and, b, that Sun had much influence on China. Everyone knows that Sun was a dilettante who endorsed every idea ever to be spoken; and that China thinks as it thinks. Yet Haprpers gives serious space to this guff.

Just before Sun died of cancer in 1925 he was a Marxist, but read Williams' book, changed his mind (Surely for the 100th time) and in his very last few speaches about faced. This strengthned the anti-communists enough to win a certain battle, drive out Borodin. Bull.

Sicily is a relatively self-sufficient island, for food.

In 1919, a short Canadian swing to the left occurred, rapidly dispelled. Evidently their political history is not completely parallel to ours. Doubtless reflecting their agricultural interests.

1901-21, farm acreage in Sask and Alberta: 6½-73 million acres.

Panama Canal boomed Vancouver wheat export.

Harpers, May '44

England's Speenhamland law was inspired by country squires, who suffered from competition by factories who took their labor by paying higher wages than they could. It was, then, a subsidy to landlords by subsidizing wages, which should reveal basic principles of all New Deal reforms.--Ency. Britt, : Adopted in south of Eng only, encouraged "farmers" to pay inadequate wages. Lasted until 1834, when replaced by "New Poor Law". Preceding Speen Law, which was started in 1795, "Old Poor Law" used, which dated from 1601, when the number of vagrants was so great something had to be done to restore order. Speen was not a national system, but a local one which spread widely. Thruoughout 18th cent, experiments in poor laws were tried, all New Dealish. Oddly enough, Speen was sliding scale relief, adj sted to the price of bread. Cost, 1818: 8 m pounds/annum.

1834 law postulated that relief should only be in workhouses, not in money, and their standards must be below those of independent laborers. Gradually changed after that, never satisfactory. Back to Harpers

Dewey never cleaned up the rackets, just landed some larger fish.

Illinois State Dept of Public Welfare, Clifford Shaw involved.--he fights institutionalization hard, keeps organization loose. But he does get his funds from the state. Kids graduate from petty crime to labor unions or gambling. When kids were fist taken out into the woods by upliftters, they'd sneak off and gamble; later they come to enjoy

the woods. Stupidity of professional social workers methods condemned--buying sodas, taking kids to movies, etc.

High school activities are a reaction against over-prolonged dependence on parents. In school one works with equals, has a chance.

Bernard DeVoto says he is a Catholic, was reared in it; also that Catholics are not to blame for Boston's banning of highbrow pornography and encouragement of lowbrow ditto, but rather the rich of Boston, theHarvard graduates, are at fault.However their fault is negative ---he just thinks they should do something about it, and they don't. His thesis is illogical, but as he admits he is a Catholic that is to be expected.

During the war at this time, despite paper rationing, book sales reached new highs, including serious books. But library circulati n declined, so perhaps many of the new books were bought more for ostentation than perusal.

The book reviewer of "Nation" says that since 1929 novels have not been good, because obsessed with social-economic issues, while previously they scrupulously avoided them. In the 20s, literature was "of the individual against society", 30s, cla s against class. Wartime, acceptance of status quo.

Alexander Wilson, Scotch Ornithologist who studied early American birds, found more hobbiests to cooperate with him in the north than the south.

The whisky of wesern Pa. that Hamilton taxed was a medi m of exchange. This tax then probably had interesting economic effects interesting to the Gesell line about taxing money.

Marietta Ohio was a seaport, built ships that sailed the oceans.

Ohio settled mostly from New England.

Great Revival of 1800. Presbyterianism for the rich, Methodism and Baptism preached free will and universal grace, attracted all.

Education in those days was distrusted, because connected with the claims of the rich. Well it might be.

Japs timed their naval attacks by astrology, claims Fletcher Pratt. Can it be?

Japs concentrated on protective devices, life saving, far less than we; their soldiers morale did not require it.

TVA lowered rates of competing electric power companies, increased their sales as result, did not put them out of business. Tennessee Electric Power Co: 1933, rates 5.77¢/kwh, net profit 2 b $; 1938, rate 2.75¢/kwh, net profit 2.7 b $. The rates of the northern companies connected with the southern ones, all Morgan dominated, followed the southern ones down, presumably because they discovered that it meant more profits. Willkie claims that the greater profits were not due to lower rates, but general economic recovery, and hispoint seems well taken. Willkie explains the slower northern decrease because the average southern consumer who uses any electricity at all uses more than the average northern, because he uses gas less, and refrigerators more. Hence lower rates. But this would not explain the change in rates under contention.

June, '44

Many writers who criticize businessmen do so because they are the idle revolutionary children of businessmen.

During the war much luxury items, on which no ceilings, rose sharply in value, probably absorbed much of the wartime wages.

3/4 the increase of nat. income was compensation of employes, but I'll bet that doesn't include considerations for those who rented out houses at high prices, etc.

Farmers, small businessmen, corporations, have done well, with labor just under farmers. Those living on idele income have not done so well.

Harpers, June '44, cont

The most typical gainer from war boom is worker who was making c. 2,000 /annum in 1935-9, now makes 3,500. Greatest change was in this range.

In writing this article, Fred. Lewis Allen got some figures from the Bureau of Foreign and Domestic Commerce, no other source consulted evidently, and proceeded to write this which he could sell in his magazine. Think how little work he need do to get off something of this sort.

Douglas Aircraft in 1942 earned 20% on its invested capital, 1.7% on its sales. Example of how little a loan statistic tells.

Corporations in the war are not making so much, but are improving their competitive positions. Their earnings are carefully watched by negotiators. Dividends in the first war were tremendous, small in this war. The larger the company, in general, the less its wartime earnings increased.

The war, then, has seen a mass distribution of purchasing power. Just the thing to start a good boom.

But tho dividends are small, much increased profits are being made, which are being plowed back. Look for the war profits to appear in great postwar dividends.

Biggest gainers: 1, raw materials owners; 2, luxury consumer services 3,those with excess producer goods.

No boom has occurred in security markets, indicating that companies aren't benefiting too much from the war.

Costs have been padded in all ways, lavishly, to escape taxes, etc. People inclined to take money in cash when they can get it, spend it as cash, without record, take luxury goods. This probably accounts for some of the increased cash in circulation. Also hoarding.

Without tax exempt securities or long time capital gains, which evidently are counted differently, and without dependednts, one cannot honestly make an income of over 25,000$/annum. But one can live high by charging it to the company expense account.

SEC estimates that in 1943 after taxes Americans saved 37 b $. A small part paid off old debts, most went into bonds,savin s banks, insurance companies, etc. The rest of what the govt borrowed in that year must have been inflationary fr m banks.

Train wrecks mostly occur in the absence of decades old fundamental automatic safety devices, which r.r.s refuse to install.

What improvements have occurred have been mostly instigated by govt intervention, notcompany initiative.

2 great signal companies monopolize the r.r. signal business, and r.r.s buy from them the most expensive and least useful equipment. Part of the great r.r. racket mentioned by Young.

Ships, planes, are required by law to carry radios, but not/z/r/z/z/n/e$. railroads.

Westinghouse Air Brake Company, Mellon controlled, also sells to the r.r.s, and r.r.s will not buy from others, tho they sell better brakes. Mellon as cabinet member seemed to exert some influence on the icc to prevent their taking matter in hand.

The competition which threatened, however, no matter how stifled, did managed to inspire Westinghouse to itself improve its brake slightly, as a placebo perhaps, and the competition was denounced.

Considerable further examples on subject.

Negros, orientals and whites ' blood differ in Rh factor, the whites haveing the lowest % of individuals with plus Rh.

Finaland was always somewhat a Fascist country, potentially. Mannerheim of white Russian mentality, hated Germans and Bolshevists. Finland 's successful revolt was against the Bolshevists. Numerous militaristic cliques seem to run the country.

Scares that we were running out of oil have been used by imperialists from 1903 on. In 1923 it was claimed by some reliable source that

our oil would be exhausted in 15 years. In 1928, producti n was so heavy that it "had to be" prorated among producers by I d n't know what monopolistic scheme. 1932, wells wereshut down, etc. In 1938, the 15th year, we had more oil reserves than when the prophecy was made.

Monopolists fall back on the conservation argument to justify their treatment of mineral resources, and win much support. The single tax is criticized by those who think the problem is to prevent, not encourage, production.

My class at Church of Atonement reveals the intellectual incompetence of even a fairly select group. Evolution is objected to by Mrs. Martin, as well as by the Henry George teacher's guide. As long as the movement for land value taxation is connected intimately with George's archaic and erroneious religious ideas, it cannot attract wholely straight thinking persons.

40% the value of the oil taken from Iraq is paid to the Iraq govt in one or another form of ec. rent. Add to this the monopoly charges that the oil companies must include, and not much is left for wages and interest in a barrel of oil.

In America, the royalties are only 13% value of crude at seaboard.

Above stuff on oil is from a Jew who is concerned about America's building a papeline thru Palestine: an interested Jew is hardly a reliable source.

July, '44

European's impression of American cities is that they are "unfinished", because they have so much waste land in them., and slums. European cities must be much more filled in.

He is also impressed by the way in which everything is popularized and simultaneously vulgarized.

He is surprised that the professor of accounting is considered as important as prof of history or music. And that business is considered more prestigious than teaching.

An independent theatre can get only B pictures.

Movies originally were for men, now they are designed for women, on theory that women see more, and direct their husbands where to go. Truly the American male is in a sad plight.

Prof Emil Truogg, of U of Wisc, "refutes" plowman's folly". Roots are mostly not as shallow as Faulkner thinks, he asserts. Also, the humus buried by plows cannot absorb enough water to be significant. However roots are not so deep as to necessarily refute Faulkner's contention, and as it is humus alone that does absorb water, his figures must be faulty somewhere. Actually, no one seems to have experimented very extensively on this subject, and that is of course the only way to get the answer. Amazing that so much wind could flow with so little experiment. 4 reasons for plowing: to keep a very dry surface which will insulate the botton against too much evaporation, and overheating(but a dry top will blow and wash away, terrible) 2; makes the seed bed more "satisfactory" by pulverizing the soil more; (bull)3; rejuvenates topsoil by bringing up bottom soil; 4:crop plants require a humus layer deeper than wild plants---he implies this, probably not realizing the implication. My impression is that he is a fuddy-duddy, blowing off to show his authority, he doesn't know what he's talking about. Certainly none of these are convincing reasons for plowing.

He claims to have made some experiments at Wisc Agric Station which prove that plowing yields more thansurface cultivation.

Earthworms improve soil fertility by mixing up soil; plow does the same.

Land which is continually pastured, not plowed, gradually loses its fertility; the essential item then is not plowing, but removal of vegetable products, which destroys fertility. Obviously they must be replaced with something, presumably man's waste products.

Harpers, July'44 cont

Chinese soil is exhausted, in many places, where it has been hand cultivated, not plowed, for centuries.

India's hand culture produces 5-6 bushels of wheat per acre, compared to ??? for America?

Our supply of mineral fertilizers is good for thousands of years.

Depletion allowance on oil wells and mines at present decreases income tax revenues

Above sentence, and following, from
Time, 25 Jan '43

A clause was written into lend-lease agreements committing u.s. to lower tariffs after war. It was to examined.

Many a good man goes to Washington to take a hurry-up job, and is utterly thwarted by the superior power of the blocs and lobbies, resigns in dusgust, his public reputation battered.

Excess profits tax law is drawn so as to penalize rapidly growing companies ~~/z/z/z/z/z/z/~~ in contrast to old established companies with plenty of jack already. Doubtless not completely an accident. One is exempted from excess profits tax proportionately to the amount of invested capital. Still, that doesn't seem so unreasonable, and doubtless time misinterpreted the first fact.

The Public Utility Holding Company Act, which declares that Holding Companies must be disbanded. Now slowly being enforced, evidently, by SEC, and upheld by courts.

CAB, whatever that is, has frozen all major route applications for the duration. Ugh.

Small entrepreneurs usually depend on being able to hire very cheap labor; high wartime rates injure them.

During war, price control foolishness at one time allowed corn price to rise, while hogs were kept down, result that hogs were not produced from corn.

An excess of exports due to rent won't of itself upset international money standards because the exporting nation exports credits with which to buy them, free of charge, for which the shipments of actual goods are then simply the recompense.

AMERICAN ECONOMIC REVIEW, Papers and Proceedings of the 58th annual meeting of the American Ec. Ass.

W. Blair Stewart, Reed College, The changing structure of the American Economy, Shifts in the Geographical and industrial pattern of econ activity.

During the 1920s the service industries expanded rapidly, but this was contrary to a downward trend in them since 1870, says Edw. F. Denison.

Wallace's "60 million Jobs" cited as the most widely known analysis of how to "provide future employment". These economists on the whole stick pretty close to a narrow grindstone, haven't much imagination to make large sweeping plans. Those who do so get more attention. That the ideas of Wallace should achive any recognition among economists is disgraceful to them. That he, preoccupied with propaganda, should have the time to write an economic study prominent in its field comments sadly on the energy of economists.

Manufacturing expanded most in the war. esp of metals.

Modern economic ideas of employment consider mainly that money demand for goods, thru consumption or investment, is the motor of production, is what "provides jobs". It also assumes that jobs are what provide the money to be spent and invested. Clearly then spending and investment in themselves can tell us nothing, what must be discovered is what additional categories influence what without them would be an unending cycle. My next studies must use this approach, not nec.

because it is moreuseful, but it is fairly satisfactory, and so much thought is in those terms that to resolve the confusion in those terms would be a great contribution. Further, econ. is the value centered view, and to clear up the employment discussion in terms of value very useful. The key job will be to translate the fact that employment is a matter of gaining access to land into terms that employment is caused by money demand for goods.

Wartime added 20 b $ to the 60 b $ of "industrial plants and equipment" already in use in ths country.

The plants which can be most readily converted to peacetime use are more concentrated in the old manuf. sections than in the south and west, in which the new facilities were more specialized for war. Was this accident or design?

Powerful private interests oppose turning many southern and western war plants to their fllest peacetime use, and seem to be winning their battle.

The Great Lakes states were helped by the war. But before the war net migration was away from Illinois.

The mobility of the American Labor force increased gremendously in the war, is at a new high.

The "East South Central" region experienced the highest % increase in income during the war, which was , however, the lowest absolute increase.

ugh Stewart's conception of the economic problem: "new markets must be found to demand products so people will be employed". In general he is a hazy thinker, then. But he seems to realize his incapacities by restricting his writing to specialized subjects, gathering data, etc. His writing is uninspired, yet contains no objectionable jargon or claims to more knowled than he has. Yet he avoids this "it would seem" cowardice, too. Probably a competent, limited, fellow who knows his limits.

Let me propose this hypothesis, to be tested by future observations: that the fame of an economist varies with his literary style more than the quality of his thoughts. Or perhaps that the quality of thoughts and the literary style go together, and fame follows one of them.

By products of article:

Discrimination against criminals is realistic, for we mean to exterminate them, we are forever at war with them, and discrimination means war.

Those bereft of privileges will suffer discrimination in a sense, which is what makes them want to fight.

The effort involved in passing discriminatory laws, or compelling by force, must not be accepted as a reverse discrimination.

Mitchell's view:

Roosevelt had chance to establish socialism, didn't take it, hence he was no good, hence Hoover was just as good, so he stresses that Hoover started New Deal.

Hunter, 2

Cu increased faster than steel.

1880s, Mont. came in, replacing Mich. Ariz. came in later, now leads. Improved reduction methods made use of low grade "porphyry" ores possible, they took over lead.

Lead, coal.

Hunter has a sickening monop. attitude, usual guff in description of "chaos" in bituminous, "order" in anthracite.

Chap. 22: Mass production since the c. war. Rezneck

Vast internal mkt with homogeneous demands important. allowed a. More standardization b. specialization Mechanization, standardization, management. System of interchangeable parts, labelled "American System", first applied to revolvers, attracted much attention at Crystal Palace exposition in London in 1851. Foreigners took our guns much in post civil war. Early gun industry & machine tool industry allied. Colt Armory Co., Pratt & Whitney, Browne & Sharpe of Providence, Providence Tool Co., Lawrence & Robbins of Windsor, Vt. Wm. Sellers & Co. in Philly, & many machine shops in Hudson- Mohawk, before civil war. By 1900, Cinn. & Clevland had become machine tool centers. These machine tool co.s provided the tools for other industries, too.

Machine tool ind. in NE, upstate Hudson-Mohawk, Philly

Sewing machine, bicycle, ag. machinery, typewriter, important products. Machine made watches at Waltham & Illinois made trouble for Swiss.

Food industries grew to have mass markets, with canning. 1870s, large scale pressure cooking, & howe method of sealing tin cans. --this the type of packaging, which made mass food selling possible.

1900-37, productivity of labor almost doubled.

Auto manufacture the type & triumph of post-1900 mass production. Henry Ford took over industry, which mainly assembled products of machine tool industries of n.e. & midwest, & developed it higher, & had definite policy of widening mkt by lowering price, got model T down to $300. in 1924. 1913-4, he introduced assembly line, new technique, revolutionary. 1920 River Rouge plant, vertical integration apotheosized, raw to auto in one ~~step~~ plant. 1914 policy also included high wage rate & 8 hr day.

as banking monop. is 'mother of monop.', could break many by breaking it.

From "The growth of the American Economy", ed. Wmson.
Ch. 21: Heavy industries since 1860: Hunter

New steel, thru Bess. & open hearth processes, supplanted old wrought iron, which was soft & pliable & tough, & tool steel, which was hard & brittle. It was midway between. Gradually steel supplanted wrought, & open Bessemer.

By 1892, Birmingham ores were 1/4 used in country. 1907, open h. first exceeded Bess; 1930, was 7/1.

O-h. & Bess. were for refining the pig iron that came ffom blast furnaces.

Blast furnaces also had tech. improvements, centering in Pitt. area & inspired by Carnegie somehow. Much faster than British advance. Possibly Carnegie was the customer who encouraged rivalry among his suppliers?

O-h could use reclaimed iron, Bess. couldn't.
1880, most steel for rails. 1885, most for other things.
Rolling mills developed, too.
1890s, skyscraper demand succeeded r.r. demand.

Soule, cont.

Many new products in 20s. Auto, radio, refrigerators, canned foods, rayon.

As incomes rose, consumers demand ~~xwixchad~~ was not for more food etc., but more consumer durables -- for which demand can be very changeable, being an inv. demand, and which are often bought on credit. Increasing instability.

Advertising boomed as never before. People used to buy things in bulk, turned more & more to packaged & branded products. Expenditures on advertising rose to c. 2b$ yrly.

Bad products -- Cons. Research formed, by Stuart Chase & F.J.Schlink.

Great expansion in recreation services, as liesure increased. Nat. parks, hiways, theatres, etc etc.

Employment in mfr. stayed about 8m; in ag., fell from 11 to 10m. -- well, don't take these stat. too seriously, other stat show a few more in mfr. than ag. Anyway, employment in both fell slightly, as service trades rose.

Union membership declined slowly during 20s.

Employment in construction was only 2-4% empl., anyway. mfr. & ag. c. 20%

Real wages increased steadily. Drop in prices in 1920 set it off, when empl. was resumed.

Keynes predicts 'prosperity is just around the corner'

p. 309 In stock mkt crash, Keynes said that this would turn funds back to industry etc., commodity prices would rise.

V Everywhere, the ratio of workers in mfr. to others fell, as other kinds of industries grew.

American Ec. History. Review notes.

Mosk freely asserts, and/or Hacker does, that desire to reopen slave trade a primary southe n demand before civil war. But seems to me that southerners as slave owners, and as slave breeders, would oppose this; as landowners they would favor it; as laborers, oppose. Balance may well have been opposed.

Mobility probably the key explanation to why labor in U.S. didn't organize as rapidly as in comparably new industry areas of Europe. -- if it didn't. People had alternatives. They come in from the farm, work a few months in the winter, or girls or children come and work for a few transitional years. Nothing fixed. If dissatisfied, easier to find work elsewhere than remain and organize. This probably the crux idea. You could always do so much better by getting into something new, it was not worthwhile to squeeze the last drop out of the old occupation. Continual immigration another factor -- & immigrants, victims of exclusion from old world monopolies, might have anti-monop. sentiments. At any rate they were strangers in a strange land, very competitive labor, like Chinese etc in Calif., different racial groups took a long time to learn to get on with one another, etc. So the combination of continually greater opportunities for potential malcontents in other work or in west, and of continual supply of competitive & utterly disorganized labor from abroad, probly did it. Anti-union sympathies of immigrants probly not a big factor -- like all, they probly would get in if they could.

Migration from s. to n.w. slowed after 1837-43 depression, while from n. speeded up. Migration caused perhaps even more by availability of capital to migrant than better wage opportunities -- cf. Danhof etc studies, & consider general fact that we got n.w. Europeans. (migrants are those who have no vested interests at home, but have accumulated enough capital to move -- the very cream of the crop, in this respect at least) So migration would tend to come from areas where alternative inv. opp. lower, because those people would have lower personal mrs, hence outbid others for lands in new country. Perhaps the profitability of investing capital in slaves in s. was so great after 1843 that this explains why they stopped coming? Trouble with this explanation is, it implies people will move west in depressions, because of low inv. opp. then? No, it doesn't, for in depressions inv. opp. also considered low in west. It just implies that people will come from regions where opp. for both labor & capital lower. -- rather than just for labor, as I previously thought. &, tho labor opp. in s. may have been less (they may not have been, too, considering climatic advantage), if cap. opp. were more after depression, people would come w. from n., not south, because northerners would outbid southerners for land. Besides, consider not only relative supply of cap., but relative demand. It takes more capital to live in n. in primo. & to settle frontier, you have to be accustomed to cold, own heavy clothes, etc., & know & enjoy winter life. So when ec. conditions -- perhaps repeal of corn laws in 1846 -- made it ec. to settle n.w., naturally the northerners did it. They were closer, anyway, & r.r.s made them closer yet.

South also opposed immigration -- because it would add to pop. of north.

Civil war as turning pt. marked by emergence of mass production, factories, in many industries: shoes, wool, men's clothing, iron, food. Caused by standardized war demands, scarcity of labor, promise of postwar protection, technological development, r.r. development with postwar market promise, capital accumulation of war finance, & other elements of political climate of Republican & northern victory, like better banking, probly more sympathetic rules for corp. finance, etc.

But Hacker probly greatly overemphasizes the war itself as a turning point. Developments all well started before war. Boot & shoe, e.g., production shifting from yeoman cottagers to factories by '40s.

But war undoubtedly crystallized lots of possibilities for mass production, got them over hump, with big war orders -- e.g. meat packing. & didn't harvesters get started then, due to extreme labor shortage?

Probly growth of r.r.s as important a cause of mass production as any. For mass production requires mass market, which requires good transportation. It also requires availability of non-local raw materials, e.g. coal instead of local charcoal.

Note that, while textile factories were earliest here -- 1815, Waltham, etc -- food processing was a much later development, meat-packing awaiting civil war.

Note that, while pottery was an important early British manufacture, we never hear of American pottery. But it must have developed here sometime, we produce most of our own now.

Before 1820, shipping income turned our commodity import balance into a net export balance. After 1849, gold exports made us a net exporter, counting gold as commodity. Were we paying interest & amort.?

1850-73 - dubious -- for we were exporting gold. was era of most foreign investments in U.S. Also 1821 to '37. From '37-'50, we actually exported capital, had commodity export balance -- well, this may have just paid interest. This must have been the era when our home grown capitalists burgeoned.

Very little real for. inv. here after '37, then.

But the import balance after '50 is not nec. capital importation. It is just that one of our exports was gold, & this is not counted in figures as a commodity, so it appears we have an import balance when we don't really.

Most foreign loans to us, by '69, were to our govt., anyway -- fed. govt. 1869, 1.4b$ of for. cap. here, of which 1b$ in govt. debt. .24b$ in rails.

Cf. to the billions of $s Europe had invested elsewhere, they invested very little here.

It was more than r.r.s that took upper Miss. valley from N.Orleans. Straight east was the short route to Europe. Erie Canal, & feeder canals to great lakes, by mid-40s Buffalo was bigger grain port than N. Orleans. Hard surfaced toll roads, "internal improvements", probly involved also. Such improvements naturally were e-w, as Miss. was a natural n-s artery.

Am Hist. Review notes, 3

In time honored way, south wanted to connect n.e. & n.w. with her, but divorce them from each other.

Evolution is not always from private innovators to final public confixcation & monop. With r.r.s, first lines were public -- municipal, i.e. -- private capital only came in with the big western r.r.s.

Land spec.

Land speculation in a boom is not usually an isolated matter of bidding up land price. Is connected with public works serving the land, which lend themselves to extravagant expectations of the future. To be sure, other land, as farm & downtown, is also bid up, in general overoptimism. But the misjudged investment xx that is caused by land misjudgements is probly mostly in lands served by new roads, etc.

An error to think of Jackson as representing particularly either the west or a revolt of labor. He was representing the group of small, competing capitalists who wanted expansion, boom, with the reins unleashed -- cheap credit, which nat. bank denied, permission to produce in competition with old monop.s -- e.g. produce bank credit. I wonder if this was essence of it? Our history -- & everyone's? -- is full of revolts: The revolution, Jefferson, Jackson -- &, despite less historical credit given, this may have been the healthiest of all -- Republicans, Populists, Wilson, New Deal -- each time, an outgroup got unhappy & demanded things, wanted control of state to get them.

But, as western states came in with universal suffrage, while it was much longer delayed in east, the poorer had more voice in west. Hence Jackson came out of the west?

Jackson's party was taken over by southerners, while Whigs fought them for power, and another revolt party came out of the west, the Republicans. Jefferson, too, might be called a western agrarian revolt, as might Populism and maybe even New Deal.

Am Hist Review notes, 4

Wildcat banking was not with us from start. It was a phase -- corresponding to another phase that was not aboriginal, extreme individualism. In 1830s. First U.S. banks had been simply central agencies which collected cash from those with something extra to lend, and loaned it to borrowers, short term. They neither created deposits, nor loaned on r.e. They were coop., and/or semi-public from start, each required an especial charter, probly charters were limited. Deposit creation evolved quite naturally, I imagine, as bank acquired prestige. These banks were also, incidentally, used by local govts. as political instrumentalities to further community objectives, like supporting new industries deemed desirable. -- by "community," we mean those with vested local interests - this was probly one reason they limited charters, as other banks would create money to be spent for other, competing purposes. Jacksonian reform was just opposite of Roosevelt reform, as it involved destroying regulations & restrictions & monopolies.

With free migration, local govt.s waned in power I imagine, & state govts, individualism made possible by a protecting central govt. I question the adherence of Jacksonian individualism to states rights. I imagine the old vested interests were more intrenched in states than anywhere -- despite Hamilton.

Loans to merchants were what first banks specialized in -- these are probably more "self liquidating" than to any form of manufacturer, and besides, there were many more merchants than manufacturers, except for farmers.

Hacker, Chap. ~~23~~ 24, "The Civil War"

Conservative & Radical wing of Republicans. Seward & Lincoln conservatives -- spoke for industrial interests: regressive taxes (excises), protection, nat. banking system, Pac. r.r., homestead, internal improvements, immigration, anti-union activities. & he further interprets deficit finance of war as their program, tho was probly just war expediency as usual. Radicals went along with all this, but also wanted emancipation. Stevens, Sumner, Greeley, W. Phillips, Radicals. Taken over by "New Radicals", Conkling, Blaine, Sherman, Garfield, who were abolitionists from political expediency, not conviction like Stevens. They took over party postwar. (waving the bloody rag?)

1867-70, Radical Republicans in charge, aimed to enfranchise negros, put them in control permanently, thus make south permanently Republican, break forever the planter power. (Hard to believe, now, that anyone ever considered this seriously) South was to be caputured for capitalist legislation, & prevented from every realigning with west, thru use of negros. (so? What did westerners think of this idea? Probly anothe Hacker fantasy)

Old Radicals had been for confiscation of lands of rebel leaders, and distributing them among the negros. Had won hollow victories in Confiscations Acts of 1861-2, but finally failed utterly. New Radicals who had taken over wanted to keep south just economically, not politically, dependent. Wanted political peace, so they could proceed with ec. development of south, with inv. of northern capital. The "Bourbons", who led southern reconstruction, were not so much the old planters as the new allies of northern capitalism , agents of northern r.r.s, etc.

By 1877, N.W. states voting Republican, so capitalists allowed troops to be withdrawn from s., as they no longer needed it. This is Hacker's assertion -- he offers no evidence.

Lincoln's famous merciful policy toward the south amounted, in large part, to not wanting to confiscate their land, even their ~~xxkxx~~ slaves, as Old Radicals wished. (probably had southerners thought such confiscation was coming, they would have fought on forever. We won them, as we later won Mormons and California Spaniards, w/o a struggle to the death, by recognizing their property rights. Lincoln may have been smarter than the Radicals in this)

Some talk, also, of parcelling out the conquered lands to northern troops.

(Even without confiscating land, confiscating slaves w/o compensation took much of southern property. If slaves ave. value was $1,000 and were 6m of them, there is 6b$. Much of the "capital" of the south. And after this, north had machines & farms adjusted to ec. system, where south had none, & no experience with new way of doing things. No wonder they were behind) (& no wonder southerners were so scared of abolitionism. Maybe Mosk is right that fear of abolitionism had much to do with secession. But it seems unlikely, for abolition was not part of Republican platform)

War finance got people used to securities, paved way for corp. finance. Postwar deflation probly made bonds very popular.

Hacker, ch. 24, p.2

1862, Lincoln unwillingly, under great pressure, issued partial, tentative Emancipation Proclamation. Excepted slave states helping Union -- the border states. Evidently was made more inclusive later? Or did they compensate for those states? Hacker leaves up in air.

Hacker says war effort was waning in 1862, Lincoln had to emancipate to get enthusiasm. Says Lincoln hesitated to make colored troops, but some 200,000 finally served, and practically won the war single handed.

1864, Wade-Davis Bill, Radicals took over reconstruction from president, emancipated all slaves everywhere, treated s. as conquered provinces.

Lincoln re-elected in 1864 over McClellan, who ran on Dem ticket and an anti-war program -- which suggests how far the Radicals were from representing popular feelings.

450,000,000$ in Greenbacks, 2.6b$ in new bonds, financed war. And, as the new nat. banks were big buyers of the bonds, probly more infl. there than in Greenbacks. 5-7% int. Many bonds sold in Eur., thru Jay Cooke, sole agent. 1861, Congress suspended specie payments. Greenbakcs depreciated, but were convertible into bonds that were eventually redeemed in gold. Taxes low, he implies much more revenue taken by new credit than by taxes. Internal revenues, including a small income tax, got up to 300m$ by 1866, and tariffs brought in maybe 60m more.

Postwar, taxes reduced much. Tariffs & excises brought in most all revenue.

During war, tariffs increased from c. 18% to c. 45%.
Wool, cu, Steel, among others, protected. Some western objections. as all 3 are western or midwestern products, why should they?
Brought in so much revenue there were treas. surpluses, they didn't know what to do with them, finally hit upon generous vets pensions. & vets, in turn, voted Republican.

1864-85, contract labor from Eur. & China could enter. Knights of Labor pressure finally ended.

Northern labor did not support civil war much. But did not express self positively as a " class", was simply sullen & unenthusiastic, occasionally rioted. He says. Who does he mean by "labor".

Chap. 25: Reconstruction

Andrew Johnson a small white farmer, wanted to redeem south for them -- was not for slavery. Didn't want negro suffrage -- wanted to keep them from competing with whites. Petty bourgeois. Anti-monop.

Johnson mentioned 3b$ as value of negroes.

Was for inflation, or at least against contracting currency, and for free trade.

Actually admitted southern states again. Congress undid all his work. Set up govt.s sure to vote Republican. Negroes, scalawags (white mountaineers in Arkansas, Va., N.C. & Texas esp., who had opposed secession all along) combined, gave Republican control. Egalitarian, petty-bourgeois constitutions -- which outlasted Reconstruction. Only failed to get partition of estates of large Rebel landowners.

But New Radicals took over, lacked Calvinist fire of old, cut off support of Negros in s., wanting to pacify & get it on feet again. By 1877 all Reconstruction govts. were replaced with Bourbon govts. Bourbons were landowners, & others, allied with northern financial interests. They succeeded in separating poor whites from negroes, keeping poor whites from seeing advantages to them of reconstruction constitutions, which had abolished prop. qualifications on voting, etc.

1877, last federal troops withdrawn, Bourbon govts. took over. Ku Klux Klan violence helped.

ancillary - ~~hon.~~?

Mosk, Oct. 2

Next week, Land Policy, ass. already given. Then plantation ec, Oct. 17
Oct 24, comm. to ind. cap.-ism. ~~Hacker 21-2~~
Hacker, 16-20 esp.

L. C. Gray, hist. of ag. in s. u.s.
vol. 1, pp. 458-61 & ch. 20
vol. 2, 658-669, & ch 30, 37-8,
& 936-42
& AHR, v. 20, #3, Apr 1915, p. 558-65
Stone, Cotton factory system.

I would do very well to summarize points from ass-
ignments as going along.

In that frontier era we were trying to expand as quickly as possible, this gave a definite character. Later we had other frontiers, but more intensive. — agglomerate area, extensive development

Turner thought results of closing would be unwholesome.
He also stressed effects on labor back home, keeping them from socialism.

Shannon based his arguments, I believe, on homestead entries. But they were a minor element in westward expansion. over

Revitalization of institutions on frontier one big point.

Immigrants who went to rural areas became less amalgamated than those who went to cities - so perhaps frontier was not such an amalgamator, as Turner said. (But didn't he stress amalg. of n & s, etc?)

Beard says frontier is not rugged individualism, but unusually cooperative. The individualism fostered was not of the business type.

15 yrs ago, significant criticisms to Turner began to come. & to reply, proponents broadened concept of frontier to include all resources, Mosk thinks this is dishonest, would restrict 'frontier' to the line out west. Per cap. resources he thinks insignificant. - quality, not quantity of resources he would stress; & distribution of ownership of them. These are more important than quantity of resources.

Russian & Argentine frontiers developed different qualities than ours.

Read Danhof.

Mosk says burden of evidence is that more people moved west in boom than bust, but is inconclusive. Also it is inconclusive how much emigration was from cities.

Mosk thinks little left of safety valve theory, save that it drained off potential urban competition. - & thinks Shannon disposes of this

by immigrant argument.

Danhof & Shannon are Mosh's favorites.

I think it very likely city people tried to get out in country, even as today, & used free land as opportunity.

Safety valve critics turn Turner's thesis into an agricultural one. A classic example of straw man dialectics. They ~~sing~~ simply show that few went directly from cities to homesteads. Which hardly bears on Turner. It is enough for him that they found new opportunities of all kinds in west.

"Individualism" as we know it, is in large part the product of a strong central govt. With such a govt behind them, independent individuals could circulate freely around the west, not having to stop & provide their own govt services. Individualized homesteading, definitely a product of federal administration.

~~1937~~

Good notes

Mosk, Oct. 23

Nov. 14 ass. Changes in s. ec. post civil war

(Mercantile cap-ism: commerce, land spec, internal improvements, no wage labor.
Cap-ists use west as tool — false distinction
Decline of shipping, as we had better ways of inv. cap, & Southerners didn't.
Great for. investments in
Wondrous & sudden change in civil war - I doubt.

Cal. gold helped us.
Questions that ~~the~~ industrial cap-ists did not come from old group. - is overdoing class theory. Mosk says 18th c. Eng. had new class take over industry - but I wonder, if that class theory isn't overdone, too.

Eng. Hist.

Wrong to assume that, because industrial cap-ism rose, mercantile cap-ism declined.

Mosk thinks much cap. came in from merchants.

Hacker makes out a conflict of 2 types of capital. Mosk doesn't think so - a smooth & easy xition. Hacker makes this central theme of his interp. of civil war, so he has dreamed up class conflict in previous period from poor evidence, to support civil war thesis.

Mosk doesn't think land spec. consumes cap.; but maybe builds it up. Thinks biggest pre-civil war fortunes from ~~rent~~ urban land spec. -- which only means this was the way in which esp. wealthy people held their cap.

Hacker emphasizes tariff question as cause of war, mercantilists & southerners vs. industrialists. Not much evidence, says Mosk, NE votes on tariff changed to pro as inv. changed to industrial. Hacker distorts this. (?) N.B. Mosk thinks slavery, not foreign trade policy, the cause.

Mosk knows of no clash anywhere between commercial & industrial. It is landed aristocracy that opposes it.

Eng., putting out

Putting out system never so fully developed in U.S. as Eng, hence putting-out played big part in Eng. ind. development, not in U.S. Mostly merchants in U.S. invested in industrial entrepreneurs. (those who became)

~~Int~~ merchants would have conflict with industry, not domestic (protectionism) ones. Domestic merchants might even prefer protection. Over - - -

Technical 'production' men per se did not become 'captains of industry', but public relations dept - which merchants would fill.

"Captain of industry" myth was that technicians (inventors) rose to rule. & then got nudged out by financiers & merchants. Actually merchants were there from beginning - cotton textiles from beginning.

Veblen was over-sold on inventor as c. of i. idea.

over

Eng. Hist. Even in 1850 Eng., most prod. not by factory.

I should say there were many technical men who rose: Spencer Kellogg, R. G. LeTourneau, Du Ponts, Henry Ford. Probly more many — they were in there, & if they had what it took, up they went. Eli Whitney, Pfister.

My observation of successive waves of groups, becoming entrenched, is big idea in Marx's class theory. But he implies that the groups have no shifting of personnel, so that merchants, the former dominant group, would never go into manufacturing. To be sure, the most successful & entrenched ones, as individuals, probably would not, but that is about all you can say. Some of their children might very well — father protest etc.

Figure out for I.T. Increasing supply of any one export will lower its price, but will Δdemand for your m, improve terms -- so?

If true, this squashes theory that one class doesn't contribute to its own successor.

- - - - - Protection growth was mainly due to U.S. growing inward, developing internal resources & trade, & vested interests in them.

Maybe our protection was a reaction vs the perious monop practices of foreign trade interests, undue squashing of internal industry. Maybe. But remember that Hamilton had been a protectionist, too.

frenetic, socialist, carping critic, rabid, naive, adolescent.

Hacker: Sections - or classes?

Summarizes Turner: Am. development conditioned by frontier experience, whose unique quality was free land. Made distinctively Am. Fused. Hardened. Made democratic because of survival of fittest (unfair to Turner). Nationalism developed because states were govt created. Each state a social laboratory.

After frontier, sectional ec. interests would grow stronger, T. said.

futile hunt for a unique Am. spirit, which Turner originated, ~~the~~ has kept historians from investigating development of monop. capism, which Hacker would stress. & class war

Thinks it untrue that Am. food affected Bismarck's policy; & that settling west caused civil war. safety valve theory

Gets around to sustaining T's explanation of why unions didn't develop, agrees in part.

World stress continuity of Eur. & Am. growth. i.e., he would apply European theories of class war to America.

Beard, in New Rep.

Turner at J. Hopkins studied under historians who followed Teutonic theory of history, that old Teutonic institutions are basis of modern democracy.

Turner's ~~fathers~~ followers overworked west, neglected cap., slavery, etc. But agrees that freeholds of west created a new civilization.

More community spirit on frontier than individualism. (Depends on what you mean. Was a new individual mobility & loss of states) Populism a socialist frontier movement.

Have a "philosophy" of hist. ready for exams. Have in mind crucial turning points in Am. hist.

Robbins, R.M., Horace Greeley & Land Reform. Ag Hist, Jan '33

He advised labor to go west in depr of '37. - but few did. Greeley was a Clay Whig conservative, shocked people with interest in Evans & free land & anti-land-spec. ideas. -- i.e., he joined free soilers. Represented business of W. Whigs & of Whigs & Republicans.

Definitely another George precursor. George evidently was only the culmination & archetype of this whole movement, which is so like him.

N. Whigs slowly veered to land reform ideas. i.e., joined free soilers? Thus forming Republicans?

Democrats, e.g. Benton in 1820s, had started land reform idea, & west converted by 1850s. But slave owners reneged, seeing end of pol. balance, & failure to expand slavery. Thus alienating westerners

Fulmer Mood, A Brit. Statistician of 1854 Analyzes Westward movement in U.S., Ag Hist Jan '45.

Census of 1850 1st to ask on where people were born. Discovered Va. emigrant pop. c. 1/3 whole, & others similar. Vt & Ct lost most in NE. Of 17m Am. (not slaves), 4m not living in state of birth.

negro birth rates

The anon. Brit. stat. says: free negroes in n. multiplied very slowly; slaves fast - faster than whites, but immigration kept balance. Immigration not so big. 1840-50, 1.5m.

1790, 3.2m freemen, .7m slaves, or $\frac{7}{39}$ = c. 18%

1850 20m " 3.2m ", or $\frac{3}{23}$ = c. 13%

of the 20m, 18m were native born, (or said they were), so of the 18m, $\frac{3}{21}$ = c. 14%

No conclusion is in doubt, forget it.

So whites grew faster, I conclude.

Prospective abolition of slave trade in 1808 caused great Δ in black pop. 1810 to 1850 ratio stayed unchanged, if we exclude white immigrants & their descendants. So rate of Δ the same.

3d variation

	1800	1830	1850
Slave state pop	48%	45	41
rep in House	45%	41	39

Loss of House by Southerners

~~free " pop~~

~~" " rep~~ Fr. immigrants make diff. Traces them

1. Mostly go to free states
2. In a belt between 36° & 44° N Lat.
3. < 1/3 immigrants are beyond App.
4. Irish, Germ, Eng.

Mood, p. 2

Germans turn to farming more than Irish, go west more.

But mainly individuals just go to next state west, which state sends its own on west. This the sort of flow that Shannon etc. cannot comprehend, re safety valve.

Until 1837 Va, Md, NC, Tenn & Ky migrate NW-erly.
Ga & SC move to Miss & Ala. & Texas comes from slave states.
Cal. & territories come from free states.

NE lost 400,000 natives, gained 310,000 immigrants. - Why? etc.

I have some hint as to why south didn't start out in industry: because labor occupied in ag. year round. & slaves less adaptable to industry.

But why didn't it accumulate cap, even to finance its own ag.? Perhaps because slaves were such a profitable inv, it was more ec. to put all available cap into them, borrow remainder extra-regionally.

Hacker stresses that slaves could not be converted into other forms of cap by letting them depreciate. This would be very significant if they ever wanted to shift, but it looks to me like they ~~kept~~ wanted to keep the slaves, problem of getting rid of them never arose.

Civil war was probably averted for a long time by tenuous position of west. South allied with it in '46 to lower tariffs, e.g. But south lost west on issue of slavery. South tried to prevent migration to west. So in 1859, for first time, voting was on n. vs. s. lines. South then had choice of acquiescence or secession. (its associated issues.)

By trying to prevent linking of NW, S alienated W, succeeded in losing it. S. tried to block development of west, when s. saw that slavery would not be dominant there.

By blocking land reform, internal improvements, immigration. etc.

Turner, Frontier.

Stresses how frontier dominated Am. culture, built up a new culture, distinctively Am.

British expansion was to colonize with farmers. French just traded. Hence Indians for French.

Caused unity - Thru Indian wars, mixing, etc.

Advance fastest where salt, army post, river xport, soils & mines available finding salt in Kanawha, Holston, Ky & cent. NY finally allowed settlement to cross mts.

General successive frontiers.

As settlement moved in from coast, less trade with Eng, had to take care of selves more, diversify, & trade with Am. cities. South had better sea transport, hence less internal development?

frontiersmen wanted & got internal improvements to trade with east, started r.r. leg etc.; tariffs, as per Clay, to 'bring factory to farm' - I think easterners would want them more; & free land. (not landowners)

Contrasts our land settlement policy with Europ.: they would 'administer scientifically' & make domain a source of revenue. (So? Who & where?) J.Q. Adams would have made it a fund to finance intern. improvements.

Clay compromised with Calhoun on tariff. Thus abandoned Am. System. Th. H. Benton succeeded as leading W. statesman, allied with south, so slavery & land to westerners, both won. Clay proposed to distribute proceeds of land sales among all states, passed both houses, Jackson vetoed, recommended giving away.

Whig program, tariff, int. imp., land - shaped by west. p. 27

NE & South were English: one Puritan, one baronial. NY etc was open to all Eur., was entrance ~~section~~ channel.

Individualism bred - but wildcat banking, lax govt. etc. Populism, final outburst of financial dishonesty, typical of frontier.

Eng. tried to stop expansion. Tidewater Va & SC ~~tried to~~ gerrymandered to keep polit. power. Wash. & Jeff. had plans to settle west compactly, one step at a time.

Hacker is on (b.s. extreme reaction to Turner's failure to consider eastern interests or all?

Turner definitely has erroneously 'conservative' views.

Shannon, F. A., 'Post Mortem on the Labor Safety valve Theory', Ag Hist, Jan '45.

Thinks frontier did not prevent unempl., nor 'labor unrest'. That few city laborers went to homestead. That factory system was delayed by shortage of cap., not labor, for labor could be imported (frontier would take cap., too)

1860-1900, when pop. grew more than rural, it was main safety-valve. (but cities dependent on country). 1900

1900, 35% farms tenant-operated (how about western ones?), 43% farm ~~income~~ receivers were wage earners.

cf. c. 1m farm owning families in 1900 with 45 m Δpop, 1860-1900. (ridic.)

1900, 3.6 m farms owner operated. 21 m people (not comparable) were tenants & family. 5.7 m farms.

1860, 2m farms; 1900, 5.7.

He is probly ~~not~~ right in stressing that number who went west & became landowners was small. & net movement was to cities. But he over does greatly.

Why unionism waited.

By 1890s, discontent farmers had to stay & fight, cities & west were closing. Populism of 90s tougher than Grangerism of 70s. BS- movement to cities not checked at that time.

Land settlement dates

After 1890, western farm pop. Δd faster than before.

Malin, J. C. "Space & History: reflections on closed space & doctrines of Turner & Mackinder" 1944

Turner stressed effect of environment on character, reacting from Herbert Baxter Adams who stressed 'genetic' approach, i.e. xfer of Eur. culture to Am.

Like Shannon, he interprets Turner as ag. interpretation of hist. objects.

Turner's idea of individualistic, unique, expansive U.S. was appealing, dominated.

T. said reforms of 1890s were efforts to replace freedom given by frontier.

Nationalism, individualism, democracy his ideals. of Wisconsin & an unconscious midwest propagandist.

Thoughts from Wm Graham Sumner, "What Social Classes Owe to Each Other"

Compares the welfare state with slavery, for slaves were taken care of as far as welfare goes.

At first all labor was forced, women the first slaves. Men reserved hunting & war for selves. (& still to a degree women are slaves. Only a few -- in our society a good many--- are exalted to opposite position)

Mentions the spontaneous organization of capitalists, w/o formal organization, in their own interests, which laborers not capable of due to poverty. Thinks labor unions ok to offset this, provided they do not limit number "of apprentices".

Thinks aggregated capital will fall more &more under personal control, each great co. will be associated with one master mind. Opposite of truth of course. Aggregated capital, with our institutions, grows by its own weight.

Labor unions conduct successful strikes, or perhaps get raises just by threat of strikes, in rising stages; in falling stages, they often strike heavily from irritation, but do not succeed. i.e., when mp > union wage.

Mentions lawyers as labor unionists, preventing cheap legal service. He might have added doctors, dentists, and, I suppose, preachers.

He favors unions as means of expressing labor's desire for better working conditions, protesting abuses, etc. I don't see this. Employers know well enough what men want.

Mability of our population has hindered union growth -- a very big point, little stressed by Mosk etc.

In good times, unions were often maintained as sort of social luxury, in bad times dissolved.

Besides, our workmen were more individualistic and independent, and were doing pretty well w/o the unions, etc etc.

"The history of the human race is one long story of attempts by certain persons and classes to obtain control of the power of the State, so as to win earthly gratifications at the expense of others."

re Salter, p. 102: "The amateur social doctors are like the amateur physicians -- they always begin with the question of remedies, and they go at this without any diagnosis, or any knowledge of the anatomy or physiology of society."

Remember the observation you developed on test for Mork: industry developed first in N.E. because of winters, when farmers had spare time, unlike south.

Hacker, Ch. 1, The climate of cap-ist development in Am.
Disest. of church & monarch, freed us for experiment.
Eng. kept sectarian education until 1870.
We started out more as capitalists, had no feudal vestiges like manorial remnants, lords, etc. Gilds remained strong within nat. states, craft gilds, i.e., in Eng. they were even taken under nat. authority in 1563, Statute of Laborers, not until 18th did they diminish. In France, rev. removed them much. Gy, they lingered longer yet.
Not until 1840 did Eng. remove Navigation Acts & Corn Laws, & Acts of Trade.
Ag. expansion here delayed proletarianization.
In U.S., new industrial class nt checked by pre-existence of intrenched industrial interest, as it was in Eng.
Our domain made mining competitive, & let ag. expand etc; while Eng. etc land already owned,

Chap. 2: The "Stages" of capitalism
Mercantile, industrial, finance, & state capitalism.
Takes "wage system" as distinguishing hallmark of capitalism -- by which concept he includes idea of market, not "just", price.
Thinks of the merchant putter-out as a capitalist, not of the worker who owned his own land, machine, house, as one -- tch.
Finance capism he associates with for. lending, too.

My general theory of ec. history: growth is into new types of production because old ones get so overregulated. Get new institutions when get new kinds of production - which is caused in part by institutional causes too, but also by exogenous forces.
This fits in with Marx's theory, at least as expounded by Rivtilla's room-mate Norm.
Collect facts to write prelims on this basis.

Hacker, ch. 22, cont

was nec. for emigration.)

S. had to get pol. control of s.w., tho she knew it would not help in ec. extension of slavery. 1850, 15 free & 15 slave states, California wanted to come in free.

Clay's 1850 compromise let Cal. in free; allowed s.w. territories to be organized without Wilmot proviso, which would have made them all free; & smaller things.

This left Ks-Nebr. unsettled. Douglas came out with local sovereignty idea. 1854, Ks-Nebr bill, local option. Mo. compromise voided. Free-soilers alienated, formed Republican party, which then joined with capitalists c. 1858. 1856, Rep. platform was strictly free-soil & internal improvement. 1860, protectionism & immigration added. (he must be wrong, for they carried all N.E. He gives impression they were just a western party. They got Wisc, Mich, Ohio, Ia. & NY too.

Then Minn & Ore. entered too, & Lincoln elected.

He knocks himself out to show that plantation system was ~~[illegible]~~ ec. failure. But is naive, ridiculous.

Chap. 23: The irrepressible Conflict

Mercantile capitalism accumulated little capital, industrial capitalism sprang up in the civil war ~~because~~ by means of capital generated by the financing of the war itself. (God!)

Just one egregious error after another, this book. c. p. 324-6 e.g.

Attributes movement of for. cap. into u.s. to 2d bank of u.s., saying it tapped Eng. & Am. savings for inv. in u.s. p. 327. I don't believe it.

1837 worsened by secular loss of carrying trade c. that time.

(The fact that Horwitz & Safarian do not concur in condemning this book is sufficient proof of their utter bias & incompetence. It is disgusting)

1843-57, banking regulation improved in e. states. So?

1846 repeal of corn laws helped us. Would stimulate western expansion, r.r. building, etc.

Various wars abroad helped us, as Nap. wars had too. Crimean, Eng-China war, Sepoy Rebellion.

Every sentence is shot thru with assumption that system was rotten, couldn't possibly ever work, was maintained only by extraordinary circumstances, etc etc.

Hacker, Ch. 21

Chap. 21 Planter Capitalism

Capital fund had no flexibility, (i.e. you could not let slaves depreciate to nothing and convert proceeds into other forms of capital) (tho I'm not so sure they wouldn't have done it had it been physically possible)

In old settled regions they were opening up the back country; & esp. were expanding westward. Eastern regions felt pinch as slave prices rose & cotton fell. (except they could now sell their slaves for more, & many did, becoming slave breeders) Slaves moved from tidewater & Border states to deep south. hence not so badly hit as n.e. / and farmers, who owned no slaves.

South wanted to reopen slave trade, & have free trade with Eng -- latter supposed to help get Eng. sht tm cap, & maybe long tm? (Elaine suggests if Eng. could export to s. they would give credit along with their own products, when they wouldn't finance shipments from n. So you'd get comp. both in goods & in capital. Due to imp. cap mkts. Sounds reasonable) i.e. would sell on credit term, give book credit. Bor English fame for financing trade to others -- at a later date, eho.

Ag. was exploitive (but so was n. free ag. at this time) Extravagance typical. Fluctuating yields encouraged it, gambling spirit. Thus the fallacy in speaking of oversaving in old south, because of unequal income; incomes not less equal there, anyway.

Exported pop., old & feeble & rich stayed home.

By 1859 c. 1/4 all cotton grown in old s.

Sht. tm production costs advanced by "factors" from NY.

Hotheads toward war were smaller slaveowners of non-breeding old s., they were pinched most. Breeders didn't care to have slave trade reopened.

Concentration of slaveowning c. same as usual concentration of wealth: i.e. upper 10% owns c. 90% -- in this case, 7% of whites owned 75% blacks -- a little less concentrated than wealth now, no?

By 1860, only Charleston, Savannah, Richmond, Mobile, Memphis & N.Orleans over 20,000 pop. Bourgeoisie were mostly planters themselves, hardly an independent class.

c. 4m blacks in s., 1860. Moving into skilled work more.

Chap. 20: The condition of the workers.

English guilds had become close monopolies, were not exported to America, most Americans were fleeing them. Urban production still in handicraft stage; "free association" basis, journeyman a wage-worker, but entry to master ranks open. Save in larger cities you had to pay something for it. just as were english factory workers.

(so no wonder we are so different from Europe. Here is a wonderful way of explaining why labor movement in U.S. was "behind". U.S. was the unorganized fringe, which society always has. Traditions were anti-monop. & probly whole society so mobile producers could always get away from labor if it started organizing. over

18th, merchant capitalists, as they had in 17th - 18th Eur., began to employ, provide working cap, etc, reorganize industry, from independent craftsmen. (i.e. the working capital function became specialized)

19th, unions incipeiently organized all over, strikes, but uniform "failure" -- (tho perhaps they succeeded in injuring others, even if they didn't help themselves?) Claims 1837 depression weakened what unions there were -- I wonder?

Cotton mills first employed children, then women, finally men. The children & women would come in from country, work a very few years perhaps, return to marry with a little money.

Is always a growing fringe of society, less restrictive. In 19th, it happened that U.S. was this part. Labor in Europe had been organized for centuries.

But were also fringes in Europe. Why did German labor get organized quicker -- if it did. -- than in our older factories? More tradition of community control there, tighter organization all around. We had disorganized people, disconnected from everything they had depended on, all their traditional forms of organization.

Hacker, Ch. 20, cont.

Labor still had mentality of small prop. owners, which many of them were, didn't go for closed shop etc.

Chap. 19: Manufactures

By mercantile capitalism he means where ~~producer~~ working cap. supplied by mercantile capitalist, tools & site supplied by worker. For some reason he does not see that "worker" is as much a capitalist as the merchant. Oftn he didn't even finance the working cap, until he bought it, finished, from handicraftsman. borrowed from Eng.

Cotton had factory system early. But boots & shoes, woolens, meat packing, & iron, on merchant cap. basis. (what sort of a "handicraftsman" made iron? Must have been pretty big outfits) (wrought iron, & small blast furnaces?)

1850s, corps. began to appear, & industry with them.

Gold made us have an import balance of trade, [which aided cap. accumulation] ~~necessary~~ not nec. so at all.

1837-43 depression he considers the turning pt., after which industry began to grow, I ~~wonder~~ agree. Cap. no (more needed or wanted for public impr. so? How about n.e.?

European

1775-1815, Eng. pottery, textile & iron leaders came to much power, a different class than merchants or landlords.

7 yr. war increased Eng. markets overseas. So?

Fr. rev. set bourgeoisie free there -- I wonder if they were ever set free? Or if, becoming free, they didn't immed. entrench selves vs. others?

S. planters controlled u.s. he thinks, hostile to ind. dev. By opposing protectionism, int. improvements, Pac. r.r., fed. supervision of banking, homesteading, [immigration.] He overestimates the quantitative importance of these, thinking them absolutely essential.

Civil War, boots & shoes, men's clothing, iron, "machinery", meats, woolens grew rapidly.

(incidentally, how can anyone look at the rural character of factory labor in middle period & assert that rural emigration did not reduce the factory proletariat?)

Up to 1850s, "the worker" worked in own shop, or rural mill, had a farm besides, did not depend wholely on wages. (this in itself would explain capitalist leanings of labor)

Female operatives worked 2-4 yrs, then returned to farm.

(cottage industry, the starter of other industry, required that individual have some spare time from farming. Winters of n. provided that I suppose, as well as custom of young women not to marry as soon as working age. Probly mobility & adaptability of free n. farmers more adapted to cottage production than slaves. After all, it involved trusting someone with materials, which they worked in spare time, which involved their own judgments in use of time)

Until well into 1840s these yeoman-cottagers dominated production, boot & shoe. Then shoe machinery, central power, & factory took over in c. war.

Food processing industries were largest -- & slowest to move from cottage to factory production.

In c. war, army demands for much standardized product boosted factory production. Packers who got army contracts emerged as big ones Dold, Armour, Morris.

Thru 1850s, blast furnaces, bloomeries, forges, used charcoal, were located in country, where they could get it.

Hacker, ch. 19, cont

Civil war boomed iron industry too.
Starting with c. 1815 in n. Mass, NH, textile factories introduced. Waltham, then Lowell, Manchester, Lawrence, cotton mills. By 1840s, girls replaced by men.
Claims industrial cap- sts came from cottagers, not from merchants -- tho in textiles they were merchants.

Chap. 18: Foreign commerce & mercantile capitalism.
After rev., our ships barred from w. indies. To 1807, far e. & Eur. at war gave business to ships. 1812-15, we were knocked off seas, at least Eur. trade. & China trade slowly declined as Chinese willowware, silk & nankeen replaced by good Eur. imitations, & coffee replaced tea. NE declined, cap. went out of shipping.
1830-36, brief revival, as Eng. abandoned mercantile system & we lowered tariffs.
1843-57, another revival, due to corn law repeal, irish famine, Crimean war, & Calif. trade, & opening of Japan & China more. But 1857 panic started decline that never ended. Brit. came out with steamships, outdid our clippers. Their industry way ahead of ours. They subsidized, too. (&of course their home prices fell, & labor ~~was~~ & land were (&cap) liberated from other uses, by import balance following corn law repeal)
"Cotton triangle" -- claims imps & exp.s of s. went thru NY -- I'm dubious.
Finance, industry & ship-building accounted for few fortunes in 1855 NY; commerce & urban r.e. main source.
Fisheries continued to expand in n., fed. subsidy of 1792 continued. But meat replacing much demand. Whaling slipped by 1840s. Grain & meat & cotton our big exports, to Eur. mostly -- we used to send food to w. indies.
To 1820, tho we had commodity import balance, had net export balance because of shipping income!
1821-37, cap. imports, incl. foreign immigrants bringing cap. with them. 1838-49, commodity exp. balance. 1850-73, large import balance -- tho export of Cal. gold should perhaps not be counted like other gold exports, but as a commodity. 1850-73 we exported 1b$ gold; 1840, Eur. cap. here total was .2b$. 1869, for. cap. here was 1.4b, of which 1.b in govt debt., .1b in state govt, .24b in rails.

Chap 17: Internal commerce & ~~Industrial~~ mercantile Capitalism
Investors in rails looked more to land grants than traffic as source of revenue. Hard surface toll roads built from rev. on. 1806, congress built Cumberland Rd, from Potomac across Ill. After 1830s, following Jackson's decision, Fed. govt stopped bldg. highways itself, but still subsidized them by land grants to states.
1820-40, steamboats made Miss. etc artery of west. By mid-40s, feeder canals to great lakes made Buffalo bigger grain port than N. Orleans.
Canal, road, bridge bldg. by public funds & bonds mania, & r.r.s after Md. in 1827 chartered B&O. S. states, land banks under state patronage supported various projects (--as Hammond said, many banks specifically designed to raise long term cap). 1820, Am states free of debt; 1838, 170m$; 1842, 200m$. Of this, 126m for roads, canals, r.r.s; 56m for state aid to banks, many of which financed projects.

Perils of Pacline approach. I stress civil war & resulting protectionism as final cause, + better alternatives etc

He picks a few incommensurable stat., you learn nothing.

So it was not just in n. that AM used for long term finance

First r.r.s, small feeders to water systems. n-s NE lines to sound, 36 mi. ave length. Public ventures. Private cap. came in with w. lines more.

Webster, Douglas, Rantoul, land spec.s who pushed IC English financed, looking to d l.v. for main profit.

Ch. 16: Exploitation of the public domain

1803, to get N. Orlean, which French closed once, Jeff. bought La.

1810-14, fomented uprisings in W. Fla, took it. 1819, bought E. Fla for 5m$.

After 1821, Mex. got land grants to Am. settlers, who had cap. from Am. land co.s. By 1830, 20,000 Am.s, raising cattle & cotton. Mex. decided to stop immigration, Texans revolted, 1836 were indep. 1846, U.S. took it, required a war with Mex., we took NMex & Calif too. 1853, Gadsden, lowest pass across Rockes for SP, 10m$.

Most w. settlers brought cash, produced for mkt from biginning, little subsistence farming.

Waves of migration "more or less" synchronized with prosperity in east. After revolution, 1st push; then c. 1800, 2d; c. 1820, 3d, greater volume; 1840s, 4th -- Mich '37, Ia '46, Wisc '48, Ark '36, Tex '45. 1850s, 5th push.

Not until 1840s did Eur. immigration really get going, when it got to c. 170,000 annually. 1850s, 250,000. 1860, 13% for. born. UK, Ireland, Gy mainly. Only Gms after 1848 were political refugees.

Until 1810, little progress in Ag. 1810-40, slow but sure progress. 1840-60, fast progress, mechanization etc.

(1811 take 1837-43 depression as turning pt. midway between Rev. & civil war. After it: r.r.s boomed replacing canals & roads; immigration got rolling; agric. got mechanizing; for. inv. ceased; [corn laws repealed; NE shipping in decline;] Jacksonianism in, small laissez-faire spirit in saddle, as illustrated by having no cent. bank; pre-emption law passed -- etc etc. There is no pt. as specific as some war gives, but one definitely sense a change which is centered c. say 1840. It was c. this time that suffrage got extended all around.

For the s. this was not such a turning pt. Its pt. came c. 1793 with cotton gin, it kept growing on that basis until 1860. It was growth of non-slave areas, whose great relative advantage began to express after 1840, that led to s's pol. crisis tho. It was also c. 1840 that the free trade arranged in 1832 came into full effect. etc)

Hacker, ch. 16, cont

i.e. commercial grain farming

Beginning in 1840s, wheat & corn got going in midwest, east turning to sheep & dairy. 1840s, Hussey-McC. reaper; fe & steel plows; thresher; wire fences. Commercial farming really hit. These grains natch. found markets in Eur, thru Ny, & in n.e., with its industries; & not in s. with its luxury demands. So w. linked to n.e. (& of course they were rival exporters, not compl.

& home grown foods

Chap. 15: The role of the west

Likens w. opening to 12-14th frontiering in Eur.

(Incidentally, I just read Broadus Mitchell on "The Industrial Revolution in the South", & he shows how rural background & contacts of s. mill labor kept them from organizing. They came from backwoods farms, were very glad to get work. Mill towns, cap-ists dominated their thought & social structure. They, many of them, planned to return to country with savings, had cap. viewpoint. No restrictive social legislation in s. states, as in NE states. The unskilled type of labor needed by plants, when they first moved into area, was easily replaceable, hence could not organize easily --- a very big point. When industry first starts in an area it must be adapted to the characteristics of th people of the area, namely that they know little about machines. Hence, since the original labor supply was recruited from agric., so can future increments to it. But after it has been going a while, you get strong labor org., as labor becomes more skilled less replaceable. Labor after being around a while not only becomes more skilled, & capital is adjusted to skilled labor, but also it becomes more familiar with local conditions, in the plant & in politics, comes to feel at home, & assert itself. So Am. industry, all industry, is better off if it can reduce techniques to the kind that can be performed by anyone. Hence the tendency of industry to make drudgery jobs, with their stultifying effect on human personality. The more it has such, & the more it depends on migratory & seasonal labor, the less likely to be organized. Hence the tendency of industry to spread to where labor is most ignorant, hence least differentiated, least politically conscious, etc. (in this a sort of civilizing mission.

This backs up "safety-valve theory" in a way. Tho that theory needs much elaboration.)

So it was pool of unorg. rural labor, as much as small cap, that made us industrial labor rich.

It was not so much that labor could go to farms, but farm labor surplus available to come to cities, as well as farm ideology — which is cap-ist — of labor, that delayed org.

Hacker doesn't give credit for many ideas - e.g. Danhof — thus giving impression of greater weight of authority than exists.

Hacker, ch. 15, cont

Hack. interprets c.war as between industrial cap-ism vs. mercantile cap-ism -- hence he stresses tariff question so. He calls s-ers mercantile cap-ists, which is absurd.

Eastern farmers would mine their land, take cap. & move west. (So the land itself moved west! Much of our history must be interpreted in this light. That fertility was lifted up & moved to where earth was flatter & less rocky. Many an Indiana barn may represent the topsoil of Vermont.)

(1800 may be another turning pt. -- Jeffersonianism. But I don't think Jeff. ever got so much thru save La.

Democratic trend of small commercial people.

Abolitionism first rose among petty-bourgeoisie of indep. farmers, small traders, & cottage & mill producers of n. & w, not in NE so much. A fine bunch of people. Jacksonians

1840s on, Democrats passed into s. slave lord hands. Laborism rose.

It was the small cap-ists, not the west, that gave Am. its distinctive character. (true, but what gave the small bourg. power?) (I suppose it was mostly such small cap-ists who settled the west)

Classes, not sections - & Hammond agrees.

Henry Clay, speaking for such people, advocated tariff, internal improvements, immigration. But this was muchly for big cap, too. Jackson represented interests of small cap-ists vs. big ones. Whiggery as strong in west as east.

As new states entered, they had universal suffrage. Old states gradually got it, & more gradually made it mean something.

Preface:(to 2d ed. Sounds like recantation to me)

He is replying to Marxian analysis, analysing Am. hist as something uniquely American, with spirit, idealism, chance, human choice entering in. Marxism bad because deterministic, monistic (single factor), and dialectical (purely abstract logic, ignoring change & personality). Am. rev. proclaimed liberty as well as fighting mercantilism; civil war proclaimed equality. He will underscore ec. factors, but gives liberty greater weight. Thinks cap-ism vital, progressive; interlopers bring progress.

Criticisms of hacker

1. Is proving thesis, consciously; and theses, unconsciously. Subordinates objectivity to this end.

2. Uses words in extreme forms, undefined, gives impressions capable of many interpretations.

3. Either for effect, or because he really believes it, describes Am. hist. as one narrowly averted atastrophe after another.

4. Idea that high price of slaves meant downfall of entire s. system.

5. Idea that desire to reopen slave trade, (& fear of confiscation of slaves w/o remuneration, but that is Mosk's idea which I'd better pamper), a prime cause of civil war.

6. Idea that "mature" "industrial capitalism" "had to have" protection.

This pencil works, the two large & soft.

7. "stage" idea of history. & poor definitions of categories for the stages, like including under "mercantile cap-ism" s. planters, land spec., r.r. builders etc

8. Idea that export balance must precede m payments.

9. 'Unproductive' merc. cap. Financing civil war.

10. "Class" theory of history -- e.g. distinguishing as "capitalists" the merchants who bought goods from craftsmen, craftsmen being "workers" -- the craftsmen may have owned tools shop, land, & even financed own working capital.

11. Idea that our gold exports helped us achieve capital accumulation, by giving us an export balance.

~~Review Stella's glasses~~

Nef, What is Ec Hist., JEH, Dec '44 Suppl.

Should draw from an epoch the threads common to all experience in it, that make it unique. & get the things 'of enduring significance'.

Ec. history has been fragmentized, not only from other ec history, but other kinds of hist

& theorists want ec. historians to 'fill up their boxes' for them with facts. - Nef vernits. He wants interpretation coming from ec. historians themselves, to explain & guide present. Philosophical & religious guidance.

From massive data, things should be well written so anyone can understand & enjoy & be guided.

Wants grand generalization. Is no 'ec. hist'.

9

Thinks logic, theories, is merely static. Historian must get big picture, use metaphor, put across. Must have a 'genius for intuitive judgments', from infinity of facts. (hmm) Seek the essence. Alliance between general & particular, between 'imagination & scientific method' - (an unfortunate phrase - the 2 are compatible)

Marx viewed history as a unity, all else determined by ec. Nef likes unity, objects to ec. det-ism.

Encycl. of Soc. Sci; 'Ec. History' - as a discipline, J. H. Clapham

A branch of general inst. hist. (- the ec. aspects of inst.s); methodology distinct because quantitative. But stat. lacking, so method, same for recent yrs, same as gen. hist. But Domesday furnishes ec. records. Thorold Rogers getting good dope from abundant bus. records of landowners. (Hamil in Sp.; Viner Canada, Danhof re frontier

Linguistic, epigraphic & paleographic knowledge needed for hist. research. (inscriptions; old manuscripts)

Ec. hist. must try to be quantitative, usually without accurate overall stat. Many hist. accounts take a small segment of life & declare it typical. Germans have weakness for labelling ages in terms of one variable - e.g. 'natural, money, & credit' economies of Hildebrand, c. 1864. & Bucher. "Stage schemes" of history, all false.

Social hist. studies man at leisure, ec. hist at work. (?)

~~Over~~ Needs more geograph. description. Overlap ok, most important discoveries made where sciences overlap.

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Mosk, Oct. 30

Hammond said:

Agrarians hard on people under Jackson.

Wildcat banking not typical of n.w.

I'm skeptical that farmers weren't demanding easy credit then. He mentions that they did want it - they certainly accepted it - & says their reaction was to destroy banks — Biddle case, Phil. bank case Maybe agrarians attacked Nat. bank because it restricted credit, too.

Failure to attack note issue may be more sensible than he said - maybe they liked to have credit available, it was spurious notes with their false impression of state authority he resented.

—

Nov. 27. Ag. in Am Ec., 1860 - 1913. Combine land policy discussion.

He has impression Hammond is criticizing free banking because of its connection with long term lending. I disagree - free banking not started until c. 1838 et seq., & long term tradition started long before then, thru individual charters.

As long as farmer was producing for subsistence he didn't need credit so much — but was he?

Maybe in Jackson's day farmers were not main debtors?

Maybe farmers opposed banks because they financed land spec?

Mosk thinks it was a 'pure agrarian philosophy' that motivated agric. — ~~not~~ against ~~land~~ bigness in general. That's too vague - opposition to land spec. seems more likely to me. Agrees with H. on most everything - stresses Biddle's bad personality.

Schles. typifies 2 common faults of historians: try to make perfect parallel where there is none; glorify individual who was faulty.

Schl. gave impression — ? about notes & deposits. Mosk emphasizes, thinks S. got him.

Get growth of corp. form as part of 1840 shift -
Mosk says 1850, it got growing

Mosk, Nov. 7

1. Influence of civil war

War finance had much to do with it; for one thing it ultimately left p.p. (war bonds) in hands of investors, after postwar deflation. Accumulation during war must have been from depletion, xfer from mercantile wealth, & inflationary cause of accumulation.

Mosk thinks Civil War fought on moral issue of slavery!

South had pol. oligarchy. - must be true in a sense, since they delayed univ. manhood suffrage.

I say n. opposition to slavery due to expansion into territories, would have died when that was settled. But if n. won it, it would have exploited s. by tariff. & n. obviously had won it, so s. She had shown in 1829-32 she would secede over tariff question. Extension of slavery a question in itself, too, & that was over with admission of Minn, Ore, Cal. So she had all to gain, nothing to lose from secession.

2. Veblen - engineers & price system.

Mosk thinks qualitative, not quantitative changes in c. war. Clark said qualitative more. He takes 1850 as breaking pt. of 19th c.

~~E. I. has never tried to reform the. Managing a woman hard to handle would test my diplomatic talents, be good that way.~~

pp. 1-46 & 80-145

Mitchell, Broadus, The Industrial Rev. in the South. 1930

80s & 90s - after reconstruction, i.e. - S. industry blossomed. S. rejection of labor welfare & restrictive leg. partly due to its being suggested from n. - & partly because of overmastering desire to progress.

Taxes often forgiven to encourage factories.

General theme: S. would do anything to restore itself, general hate of n., willingness to sacrifice. Paternalism: first real, then a convenient pose, as workers got restive. ~~State of~~

It was claimed 'cost of living' lower in s. Stat. show it is higher, even considering lower fuel, housing, etc costs (I doubt it)

~~Short~~ Longer hrs & lower rates main cause of mill movement. Being near cotton little matter.

In Eng. labor org. succeeded only when factory legisl., That hit all at once. Otherwise org. plant submerged, & compet. ind. Comp. stiff in US, he recommends same.

80s & 90s, textile growth as community enterprise he stresses. 'Gentlemen' turned mill-owner, a genuine paternalism. Peasants flocked in for protection & help. Kept blacks out, added to solidarity.

When 2d generation lost paternalism, must for gain, Labor likewise did its best for self.

Advantages listed for ind. in s. now include lower taxes. - Taxes, legisl, wages, big 3. (Does NE & collect ~~from~~ welfare prop. taxes on improves now? Use them discrim. to keep out new industry?)

Pictures revolution as 11 to Eng. +100 yrs.

1900, 14% s. pop. urban. 1930, 25%.

Eng. development had been individualistic; & scattered, as complementary inventions came few at a time. S. was communal (since they knew what was coming, it could be thus. Let society always have enemies for individ. pioneers, & then take over what they prove, if desirable)

Steam power used as well as water. In Eng. it was water first, then, as steam tech. dev. allowed, steam, & moved to flatlands & ports.

In S. dev. ag. interest & industrial allied, among rich & poor. Many laborers saved & returned to buy farm. Had 'allotments' in s. towns, raised vegetables. (remember Ch-ville)

Factories at first encouraged pop. growth by making children etc. useful before they would have been on farm. & pop. did grow.

Contrast with Eng: made more self sufficient; & threw no skilled labor out of work (by making operations simple ~~for~~ so kids could replace

monop. ists, as in Eng.); gene wish to all; encouraged ag. diversity (true in Eng too I think) 105 ; ag. revolution went along with it in Eng. - in S. to a less degree, & with most improving by small holders.
In Eng. ind. leadership came from new class; in S., stern landlords.
S. spokesmen still primarily ag. - but growth of Republicanism shows industry's growing influence.
More paternalism in S. than in Eng., better care. reason for slow development?
Eng. had union tradition before ind. rev. S. none.
(I suppose explaining prewar failure of S. ind. is that conditions for a start weren't there - no accumulation of cap; no small craftsmen (who started ind. elsewhere), no demand for large standardized production - since rich demanded luxuries, poor grew own food probly & subsisted, far from xport, & slave plantations tended to self-sufficiency. Yet why no merchants in cities to accumulate cap. & start ind. with poor whites? Awaiting techn. changes that would suit ignorant? ... much to explain, & This course fails to, can leave it unsolved as test)
Organization attempts more successful in booms, folded in busts. Tighter demand for labor made it possible. In general, huge labor supply made it impossible.
S. industry of cotton textiles (the main ind) scattered all over, : hard to organize.
(The south is probly a forecast of the development of plantation areas that is to come, in SA, E. Indies, etc. Landowners taking charge.

Having their social security in being white rather than black, southern workers had less stimulus to become unionized.

Mosh, Nov. 14

(Mitchell distinguishes 1st generation of postwar s. manuf., who were 'gentlemen', from 2d gen., who were minor tinhorn scoundrels.

Peculiar characteristics of s. industrialism: 1., attitude to labor org. first industrialists were partly doing favors for impoverished countrymen, industry was community enterprise. Besides, workers came from poorer background, was continual pool of replacements.

1. Paternalism. Mill villages more typical in s., & more paternalistic there than elsewhere. Marginal to large towns. Explains paternalism as natural outcome of conditions postwar. The 'gentleman' entrep. was extremely brief in time. The hill folk who had been forced to ~~starve~~ mts etc by slavery. Race prejudice helped somehow. Dispossessed trying to regain prestige. Had a cooperative venture. Hill folks probly had anti-union attitude from rural background & continued contacts, too. Industrialism a means of getting back at n., too, war psychology involved. Were defined as white men's industries, added appeal.

The first wave was thus pretty idealistic & good willish. Then northerners moved in to take advantage of situation & 'exploit' - which Mosh interprets as 'paying less than mp', a naive error that Leigh made too. N. cap. moved in & took over, using paternalism. This is Mitchell, & Mosh agrees.

1920s, when Mitchell wrote, s. labor beginning to organize & moan.

In n., industrialism grew as evolution of putting-out system. In s., grew rapidly as 'forced plant', people made sacrifices with nationalist fervor.

Paternalism grew easily from plantation system, & oligarchic political setup. (I wonder about that)

Mosh doesn't think unreliability of freedmen explains downfall of wage system. - unless because Freedmen's Bureau subsidized unemployed. How then explain it? Lack of knowledge of business contracts by planters. I.e. he blames it all on ignorance of planters, an extreme reaction from blaming it all on negroes.

Might have been an effort to prevent organization among negroes?

S. ind. dev. postwar was in cotton textiles esp. Hill workers very low productivity, low education, trouble with educational level, couldn't handle machinery, & were unstable, undisciplined personally. I suppose as people become disciplined so they can work in plants, it doesn't take long until they can

organize, too — that lag is what causes migration of capital.

Freight rate differentials important. & of course more space, cheap sites, you could buy space to expand.

Mosk thinks it is social institutions of s. that keep it industrially backward. Large land holdings

Mosk emphasizes social backwardness of s., but isn't clear about this, in view of extreme receptivity of s. to industry. Stresses underconsumption theory, maldistrib. of wealth, no great mass mkt. Admits possible climatic analysis.

Form the Δ technology? N. monopolism?

Mosk, Nov. 28

Randall. Am. labor movement grew from equality, wanted to return to old truths - not so rev. as Ev.

Do unions grow generally in boom or bust?

Blake says selfish unionism most dominant in upswing, broad idealism in depressions. Sounds reasonable. Perlman & Commons are for Compers-ism. (not himself, but his 'boys')

Until c. 1930s, factory workers in U.S. unorganized, but skilled workers in other occupations.

Mosk emphasizes lack of class structure in U.S., fluidity between classes, as cause of non-rev. aspects of U.S. movement. Mosk really believes in essence of safety valve theory, probly rejects it by name because assoc. with conservatives.

(One reason women are 'leaders' in new types of industry is that accepted forms of production become dominated by men, rigid & restrictive. So women working part time, migrants, out-groups of all sorts, are used by cap-ists, these industries develop into dominant industry, are then taken over by in-groups & men, & process continues. You cannot organize occasional workers: women pioneered agric., handicrafts, industry, white collar work, etc - what next? Women & children.
Restrictivism may have served a very useful purpose, then, forcing improvement, or change.)

~~Ask Klaine if she thinks Mork is a clear thinker.~~

Mork, Dec. 5 The Nature of Am. Ec. Development, pre-1914. & how it benefited from world economy.

c. 1850 on, we began to forge ahead in standard of living. ?- Is 'continuity' since then, not so much before. Big r.r.s, expansion of ag., commercialization of rural life, industrial expansion.

Resources, technology, institutions, the basic variables.

Resources very important. Not per cap., but total. He is vs. per cap. because of Malthusianism. We had large amounts, right kinds. Good human resources.

Mork absolutely doesn't understand ec. theory.

Yet one reason I look forward to Weeks & Mork seminars with such pleasure is both are so vague intellectually. I suppose reason most people get such emotional attachments to fuzzy thinking is that those who hand it out are fuzzy themselves & don't demand any precise thinking from their students, hence students find security, warmth, the attributes of success, in this environment w/o doing any work for it. But, as entry to this society is free, they are disappointed.

Lack of feudalism & guilds in U.S. speeded ind. dev. Guilds est. selves in minor way in colonial pd. Fluidity among classes (& into various occupations). Distrib. of nat. inc. good, & of prop. That is where land policy was most significant. - it had faults, Gates is right, but even so land was available to small settlers. Mass market created. This made mass production possible. (I think this is due to ~~standar~~ character this gave to demand, not volume) (~~as~~ besides, we were a bigger country, more people of same tastes)

International conditions: opportunities to export ag. products. which more means of paying interest on for. loans.

Mosh, 17 Oct, Plantation Economy.

Characteristics: debtor, single crop, slaves, large plantations, westward moving, soil exploiting

Rising price of slaves — suggests slavery was getting more profitable — (but it may have meant slaves were becoming more expensive to produce)

¼ cotton sold to n., practically none to s.

Small planters couldn't ~~buy~~ breed own slaves, bought commercially;

Increased cap. req. to go into business (but this would encourage smallness of area, not largeness!)

Inflexible in sense it couldn't change to other than cotton production. Capital couldn't be amortized & converted.

(Perhaps reason they were debtors was their cap. was in form of slaves?) (Probly more that ~~it~~ saving not encouraged by the culture)

It was small planters who gave up in e. & moved west.

Plantation definition: large landholding, intensive labor, single crop, year round growing season. I suppose large holding, single crop, for market, & high labor ratio — to cap, & perhaps to land.

They raised other crops, for subsistence — but cotton was cash crop.

Am. cotton & Brit. textile growth went together

Land spec. may have been financed with Brit. cap.

& tendency to be a unit economy, provide many services for itself.

Mosh wants to know why one crop system persisted. He thinks it is because of prestige of ~~owning~~ holding slaves that people stuck to cotton — why did they continue to grow cotton after war.

Cotton was rising secularly in price toward civil war probably

Had to stick to cotton, also, because lack of ind. dev. at home meant had to sell abroad, only cotton was taken.

Planters may have discouraged city development, just by not liking it — tho certainly they would like to get urban products cheaper.

Mosh explains lack of s. industrial development by stupidity & prestige desire of planters.

Mosh's characteristics; Large, crowd out small, expert, single crop, rigid social structure, no middle class, political oligarchy, pattern of income distribution, disparity of education, failure to accumulate cap. (perhaps because labor had to be cap, this exhausted saving?), tendency to look down on labor.

Over

I suppose production of services for main consumers on plantation prevented growth of commercial producers of local services.

It was more small e. farmers who sent slaves west, than big.

#

Ec. Hist. at Oxford. Hancock

Ec. theorists -- Marshall, Hicks, Robbins -- have suggested that ec. historians should test their theories. Hancock bridles -- they should be more institutional.

Hancock would have "historical study of men as getters & spenders". Should be "specific, but not segregated."

~~Someone~~ Hicks said ec. hist. was "applied ec. of earlier ages." Hicks, said ec. theory tells you what questions to ask. Hancock thinks theories aren't that good, he will ask more questions.

Must understand framework of general geography, mores, climate, etc., before trying to understand ec.

Common sense conclusion: need a "free & flexible partnership" (good concept, in general) between theory & research. He is just beating his gums over supposed excesses of theorists, not suggesting we outlaw it.

Marshall said study recent hist. because materials more abundant, & more relevant to current life. H. disagrees.

~~Need~~ Need depth in time.

Mosk, Man.

Re Hacker. read ch. 182, on colonial pd, Thorne won't discuss.

for Sept. ~~today~~ 26 ✓ a) Encycl. of soc. sci, sect. on 'Ec Hist as a Disc.' in article on 'Ec. Hist.

b) Jnl. of Ec Hist

Vol 1, ~~supp.~~ Dec '41 pp 9-16

✓ Vol 4 supp Dec 44, pp 1-19

RBR c) Chap. on 'Ec. Hist at Oxford', in Hancock, Politics in Pitcairn

Next week: ~~Hacker ch. 15, & Turner ch. 1 & Paxson, Beard, H~~ Pencil checked items on rdg. sheets.

Oct. 10 topic, Land Policy.

Today. Ec. Hist as a science.

Approaches to ec. hist

1. Stat. Limited to c. 100 yrs back
2. Institutions
3. Polit. & social factors
4. A priori, Theory, check it back

Nef would have history in 'Grand Manner', bring in whole attitude of a people.

Clark, Victor, A history of Manufactures in the U.S. vol. II, Ch.s 1-4, & 13 1860-1913. Pub. 1929

Post Civil war, for a time, we laid an export duty on cotton, with a rebate to American mfrs. who might export cotton goods. (thus w/o actually expropriating s. landowners, we did the same in part by such methods)

Eur. ind. dev. depended on foreign mkts., & often foreign sources of raw material. (English cottons, he says, first "grand" industry to depend solely on imported raw, but I'm dubious. How about Flemis wool industry? etc)

Eur. development was carrying raw to labor; U.S., taking labor to raw. & we depended on internal market.

Migrating labor, he says, was mostly unskilled, not craft, hence adapted to machines. I wonder.

over

In 1850s, remarkable industrial growth in U.S. R.r.s building madly. Western metals, & Superior ores, developed. Iron & textile mfr. grew 2/3 in decade of 50s. Tho our ship-building was declining, it still supplied many Eur. customers. We sent locomotives to Eur. Even in civil war, we sent some arms to Eur. We led in interchangeable parts, standardization. Clocks, sewing machines, ag. machinery, we were good.

Prewar, country merchants had stocked up for a year at a time, because they could get a year's credit, and because transportation was often good only in summer. But with r.r.s, year round xport; and with war, credit usually given for only 30 days, both to merchants, & by merchants to farmers I judge -- nation's business went onto cash basis.

(a study of why s. U.S. never accumulated capital would tie in with development of underdeveloped areas)

Our exports to Europe had been specialties, like sewing machines which were invented here, & during war they maintained ~~xixx~~ same levels. Some ships, locomotives, lumber.

During war we discovered petrol, & that became an export.

West expanded mightily; closing of Miss. hastened trend to move its goods by East, which helped boom east.

Revenue raised by tariffs & turnover tax. The turnover tax encouraged largeness, since ~~xxcxxxx~~ vertical integration reduced the number of steps on which tax levied. (I wonder if anything comparable exists today? Could we not break up combines by facilitating transactions? Is vertical integration not encouraged by tax policy? & other policies that increase the costs of simply being in business as an independent unit. Those costs should be

minimized, or even made zero if possible, or indeed the small unit subsidized, in public interest to preserve competition)

Pig iron production did not increase notably in war, for the increased military demand was offset by reduced r.r. & constructio demand.

Along s. shore of L. Erie, steel mills grew, where coal met iron. But main plants continued to be in E. Pa.

Cannons were a large source of demand, but by far the largest was iron shilding for the navy Monitors. These were rolled -- as rails had been -- tho forging was still a bit cheaper. Southern armor was forged.

No steel in civil war.

As for steel -- above is just iron -- Bessemer process not introduced into this country until end of war.

War demands increased precision of work.

Postwar, great demand for steel, as steel rails replaced iron. Mining demanded much steel for drills.

There were some govt. armories.

Pos twar, arms mfrs. returned to making textiles machinery, locomotives, etc. But wartime experience in machine tooling, interchangeable parts, precision work, helped further work.

In war, labor saving machinery esp. encouraged. Ag. machinery esp., as western ag. was expanding, labor scarce. Our great ag. output at this time fed us, let us export much too. More development in ag. machinery than in firearms.--more patents issued.

Military needs caused much standardization of gages on rails during war.

Great suffering in Eng. due to blockade of cotton exports. We had cotton textile mfrs. in north, Lowell the biggest city for it, they had large stocks on hand at outbreak, & managed to get some all during war, not near as much. The mfr.s figured they would have to su pport their idle hands anyway, so they put them to work expanding their plants. Eng., meantime, had been worried about increasing foreign compeition anyway, xxxx caught with low stocks on hand. No suffering from unempl. in n., for men went into war or war production. Women went into wool mfr esp., which increased. p. 30

Labor shortage?

(world gov't could exercise its power thru courts, rather than direct administration. In these courts, local outgroups plead their cases, & give local support to central rules in general interest)

Clark

Ch. 4, cont.

Wool mfr. Aid in war, partly due to cotton shortage, partly to war demands. Import of raw wool from Argentine, Australia. &, duty free, Canada, due to reciprocal treaty.

At first, wool mfr. in much smaller concerns than cotton. As war progressed, they got bigger.

Sewing machine use spread rapidly in war, in clothing, boot & shoe. Inspired, like numerous other labor saving machines, by high wages of war.

over

(The southern market's absolute size not what failed to encourage industry, but character -- luxuries, servants on one hand, crude necessities on other.) Self-sufficiency.

Canning grew, stimulated by military demands -- new kinds of products acquired quick popularity by being used in war. Condensed milk. p. 34

Had used land oil & an oil refined from coal for lubr. & illumin.

1859, oil struck. Gradually mineral oil replaced others.

During war, process of making paper from wood, rather than linen rags as before, came in.

Luxury production boomed too.

In war & postwar to '73 we adjusted to a high wage economy. Capital built on ass. of expensive labor. to great suffering & unemployment in '70s depression, there were few niches for labor.

same in any boom & bust period.

Maybe shakeup of labor in war was what cleared way for postwar expansion.

Clark

Ch. 13 Resume of War & Recon. Period.

1 Postwar, repealed internal taxes, kept tariffs. Both had been revenue measures in war.

Immediately postwar, seeming glut of labor. But inv. boom, work for all at hi pay.

Big immig. until '73, & most immigrants went into agric.

1862 Land Grant Act, to encourage techn. trng. & it was post-civil war that eng. schools really blossomed, stimulated by this & other.

Great boom in NE mfg. Philadelphia long the largest mfg. city of U.S., boomed more. Cotton & wool mills, 1000s of hand looms, chem., publ, locom., machine shops.

Buffalo, had cheap labor in winter when lakes closed, stimulated mfg. Same reason as n. development in general.

Tho all regions grew, some suggestion that relative growth of w. greater: Chicago, Minn, Peoria, Cinn., Cleveland. (Which suggests what wooed west to protection. They, not NE, were potential industrial giant.)

(Farmers of this era were perhaps characteristically immigrants who were brought in by powers that be to produce complements for them -- hence not an indep. potent polit. force)

"By 1867, were more rails in S. than 1860, despite war losses.

Rates of rr. very unstable, as comp. came & went, demand for public regulation, of all.

Vanderbilt consolidated some with NY Central, got three line to Chic. Penn did some. Other consolidations.

Generally postwar saw greening & not innovations. But Bessemer process came in.

Nash said just opposite.

Williamson, Growth of Am Ec.
Hoover, Location of Ec. Activity

Since 1900, "East North Central" area has taken largest absolute increase in mfr. employees. I judge this is from, say, Rochester to Chicago. "West North Central" has hardly grown, as % has declined a little, was never much anyway. This would be west of Chicago out to Montana. The % loss in mfr. employees of NE & mid-Atlantic has been taken up several regions, scattered: S. Atlantic, S. Central, Pacific. This was to '39. But absolute growth in old regions may have been just as good.

Between same two dates, % of "mfr. wage earners" in "33 industrial areas" stayed at 55%; while their % of pop. increased from 28% to 35%, suggesting growth of non-mfr. work there since then.

Dunlop, Changing Status of Labor

In 50s, first nat. unions appeared. ~~Many~~ Typesetters first internat. union, because of strategic position. Civil War demand for labor stimulated many more nationwide unions. Miners, Engineers, Cigar Makers, Conductors, Shoemakers, ~~Blacksmiths~~ Plasterers Carpenters Bricklayers Painters, Spinners, etc.

- Clark says it reduced restrictive power.

(An "international" union is one with Canadian locals)

Nationwide unions followed r.r.s, which brought many firms into competition fof first time. (thus, to make the monop. good, you had to keep up cost of production in the entire market area)

Ira Steward, zealot of 8-hour day, a monomanic. Various states passed 8-hr. laws '60s, not enforced.

Post civil war unions much agitation to form coops, producers, to take over production with laborers as part owners, end wage system. Many experiments, which turned into capitalist enterprise.

Knights a good outfit. Wanted land reform, antimonop, mon. reform, had no apprenticeship restrictions. Died in late 80s, after Haymarket riot & ineffectual leadership discredited them.

Union membership. 1933, 3m; 1938, 8m; '42, 11m. In some measure due to New Deal legislation, which encouraged unions: NLRA. CIO organized auto, steel, coal, alum., electr. mfr. -- citadels of anti-unionism. AFL forced to somewhat abandon principle of exclusive juriddiction -- i.e., had to allow some CIO unions in same plants & occupations I judge.

Dunlop a dope

Mills, Ec. Tendencies in the U.S. , Ch. 1, Prewar changes in volume & character of production in u.s.

1900-13, physical production increased c. 3%/yr. Pop. increased c. 2%/yr. Pop. growth was smooth, production growth jerky. Manuf. goods production increased faster than raw materials. And among manuf., greater differences in rate of growth of individual ones than among raw materials. These necessitate great mobility. (we probly have more mobility today than ever, despite New Ec.)

opposite from world trend

Ag. production increased less than other production too. (thus dispelling myth of overproducing farmer) Was more uniform than manuf. growth.

Instability of growth found most in farming & processing-- not clear. p. 16. Wx. probly causes the great fluctuation in ag. output. Final processing industries using non-agric. raw the other greater fluctuator, .

Non-food industries increased more than food, both fairly unstable.

Cap. equipment by far most unstable. Also grew more than other types. still 1901-13 series. Durable vs. non-durable classification, durable much more unstable of course.

(No doubt a big factor in raising productivity of labor was that with increased wealth the supply of labor, at least in time sense, decline, with 8 hr day. Also supply increased in proficiency sense with increased skill, opposite effect in part, but also making increased productivity partly due to labor itself, not its complements.)

Mineral exploitation increased faster than pop. in this pd. Agric. production a little slower.

Increased production came thru more per establ., not more est.s.

Key trends & dates in Am. Industry.

Interchangeable parts -- 1850 -- revolvers

Vertical integration, post civil war.

Assembly line, Ford, c. ~~1910~~ 1913-14

Dominance of rr as customer until c. 1880

Food canning c. 1880 makes food industry possible

Mass market allows many economies. Transportation.

Steel replaces wrought iron, open hearth = Bess 1907, now exceeds

Processing & faster than extracting. -- including ags.

Westward trend

Corporate trend. Larger units, vertical & horizontal.

Monop. trend?

Shipping decline

Craft unions only.

Immigrant labor.

Western mining, supplied most all ores. woodworking / presume

Early specialties: guns; ags. mach.; sewing machines; bicycles; typewriters; watches; ~~stuff~~ Machine tools; Later (1870s): food ind;

After 1837 financed neither by banks nor by for. loans, but

real domestic cap. formation.

Turning points in Am. hist. Turning "periods", better.

// c. 1840

Ind. rev. in ag.
R.r.s
Immigration swells
N. forges ahead of s. in pop.
Labor?

Tariff?

Banking? Free banking allowed -- tho curbed by states. Brit. cap. stops coming.
Classes: the small enterprisers forge ahead, politically, economically.

Land. Pre-emption.

Shipping: N.E. shipping in last splurge, but definitely losing out -- as cap. & labor had better alternatives, this thus reflecting not decline of shipping opp. as much as increase in others -- & tariff, & Eng. comp.

1837-43 depression as a turning pt.

1. Immigration west occurred more from N. after that

2. Marks beginning of industrial growth in N. -- previously had ~~more~~ "putting out". & cotton factories only.

3. Beginning of rr. boom

4. Begins era when we don't borrow abroad so much, due to defaults. [Until c. '50. & dubious if we revive it then]

5. Begins linking of W to NE

6. Immigration gets big -- to N, sinking S.

7. Mechanization of ag. gets going. Mcc. reaper. commercial grain farming in W.

8. Jacksonianism triumphant -- small, levelling socially expansive capitalist economically, universal suffrage politically, free education -- ? so? --, irresponsible finance - wild-cats, no central bank, defaulting states

9. Pre-emption law passed -- vote yourself a farm. Idea, connected with free-soilers -- but giving small farms to settlers means keeping them from slave-holders, & simul.- giving poor settler enough assets to not have to sell.

~~10.~~ (8.) free enterprise elements leave Democrats, go to Whigs. Reflecting (5), linking of W & n.e., & opposition of s. s. takes over Democrats -- & those northerners who saw their interests as parallel to the south, of whom there were many.

10. Era of individualism, minimal regulation of everything. Earlier banks had been semi public, now no reg. wildcats.

Soule, George, Prosperity Decade

"Investment Trusts", holding co.s, could borrow at lower rates because of diversified risk -- supposedly was less risk this way. (people undervalued the risk of dishonest or incompetent management)) (so the institutions which diversify are the ones with low mrs, they borrow at low rates, buy at higher. They are, therefore, the archetype of monopolizing institutions: investment banks, holding co.s, insurance co.s, etc. All outfits that handle others' m for them. Even the simple corporation is this to some extent. So one wonders if society should subsidize, or if perhaps it should not penalize this, to a degree.)

(volume of "new issues" in '20s misleading, so many were for h.c., to buy stock in existing co.s)

Pools manipulated stock prices, used tip sheets, brokers' agents, etc. I suppose they still do. So don't speculate, invest.

Insull thought his control was precarious, had to issue continual new securities to buy more control.

~h. 8: Important industries

R.r.: No expansion. Marginal lines kept going, because localities served insisted -- at least the localities insisted, I suppose many were dropped.

1920 Transportation Act, ICC was supposed to come up with an overall plan for r.r.s. It never did, instructions too contradictory. But icc instructed to fix rates, "fair" return on "value". Roads were to be allowed 6%, but they never made it.

Shipping: wartime ships around, lowered rates, stopped new building, so were laid up, & shipping subsidized.

Autos: was a "Nat. Auto. C of C", pooled patents until '25, but then larger concerns had built up own research depts, withdrew. (patent pooling &/or renting would help comp. much, lower opt. size, etc. Cf. USMC)

Auto boom & housing boom interlocked, for it was auto that made new subdividsions possible.

Construction: at peak in 1926, only 5.7% wage earners employed in it directly. But those employed making materials for it, transporting them, probly larger. Steel, glass, electric equipment, lumber, brick, stone, cement, plumbing, hardware, furniture, etc etc. (Maybe 25% nat. economy? That is not too much to believe)

"Finance" had more than 5.7% wage earners -- but largest item in finance was "r.e.".

Shipments of bldg. materials were c. 1/6 all r.r. ton-miles, e.g.

Post w.w.1, several state rent control laws, declared unconst tutional.

Resid. construction was largest item of bldg.--c. 45% total.

Industrial construction was much more sensitive than residential to short run business cycles, residential kept right on regardless, other bldg. changed with inventories I judge.

Not much concentration in construction.

Financing costs, streets & utilities, generally underestimated.

(Individuals in industries with elastic demands may themselves have inelastic ones, being small cogs, hence have monop. power. Hence may be much restriction in industries that wouldn't be restrictive if vertically integrated. Vertical integration, in general, seems to me good, it reduces monop., doesn't increase it.)

Coal: A minor element in cost of industries using it, hence inelastic demand. No monop. Marginals going in & out. Mechanization, reducing labor.
Many steel co.s had "captive" mines, to assure a steady supply. (good -- why do people moan about it?)
W. Va. & Ala., new workings, came into use when northern mines unionized. Expanded, while unemployment in union fields.

Te tiles: prices fell; competition reigned.
Moved south. Proximity to raw material not important, savings in transporting raw cotton offset by extra transport of finished goods. (so?) Cheaper labor the main attraction. Fewer state laws about labor restriction. Also had climate, & soft water. No. of wage earners increased 40% in s. Appalachians outside coal platueaus in decade, while falling 2% in nation.
Phoes: moved to St. Louis
P.U. Electric light & power increased. Phones. Growth in industrial use of electric power -- price discrimination, lower to industry, higher to residential.
GE formed Electric Bond & Share, to get control of its customers.

Chap. 9: Labor in inflation & deflation

Just postwar, textile workers, "Amalgamated Clothing Workers" under Hillman, struck for shorter hours, not higher wages, to spread work.
Govt. in war control of r.r.s had encouraged collective bargainig. Mobile workers had it already, Big 4 Brotherhoods, but shop workers not.

AFL couldn't organize steel, or other big industries, being on craft basis. (hence the growth of big industries. Now that industrial labor is organized, what will be next reincarnation in the fascinating metamorphosis of capital fleeing organized labor?) Various attempts in 20s, but labor didn't get far.

Even the bldg. trade unions were temporarily weakened in an "open shop drive". 1920-3, union membership dropped from 5m to 3.6 m, losses mainly in war organized industries: ship-building,metal, machinery. (when the industry folds up, the union does too, & the workers move somewhere else, unorganized)

1921, wage rates didn't drop so fast as living costs -- employers competing with unions for loyalty of their employes, one thing.

Soule, 2

Chap. X: Labor in Prosperity

Court decisions, legislation, etc., generally vs. labor, this made big difference.

Most fundamental factor in postwar deflation was sudden reversal of govt. financing. It had been running tremendous deficit, dM. Last ¼ 1919, suddenly stopped, increased taxes, reduced expenditures. So prices dropped -- cumulative effect when inventories were dumped, of course, and bank credit withdrawn, that had been extended to hold inventories. Not only did this happen voluntarily, but FR banks were pushing it, raising their rediscount rates, etc.

Reducedddemand for exports, esp. farm products, also involved.

Why did production revive in 1922? Soule thinks because businessmen are very stupid, thought that inventory losses meant real losses from new production, hence when this stopped they could see real opportunities that had been there all the time.

1927, slight recession. Boom should have ended then. Construction slackened, consumer buying of durables on time slackened, govt. had deflationary fiscal policy, employment decreased. But gain in productive efficiency increased, and prf its high, & banks, losing commercial loan business, moved into stock speculation, created money on that basis, avoided deflation. As FRS halfheartedly tried to stop bank m going into spec., other funds -- e.g. business funds -- passed directly to speculators. (but FRS probly did -dM, important effects)

(stable prices is not a satisfactory criterion of monetary policy, for they may be kept stable by non-monetary means. -- fixed prices. I would more favor a fixed amount of money -- perhaps, but not nec., adjusted for secular or other changes in velocity. I'm not sure any rule of thumb will do, but it might)

Price stability in 20s may have been due to institutionalizing prices, rather than monetary policy.

Dividends were 4.3% NI in 1920, 7.2% '29. Undistrib. profits not so large as dividends. Toward '29, unspent cash of ~~the~~ corps. accumulated, spilled into stock spec., some thru savings accts.

Since banks had moved into mortgages & securities, they were kaput when crash came.

When our foreign loans ceased, foreigners couldn't pay for our exports.

Feudal states, fuxed by military genius. But quickly broke up, lack of administrative techniques. Landownership to support regional army. -- made a different attitude toward land, too, non-commercial.

Then commercial attitude and central state revived together, with money economy, which made both possible.

Oppenheimer's explanation of emancipation: slave & serf owners couldn't hold them all personally, esp. when they became public officials instead of owners of private feudal property, and they didn't wish to give them to any potential rivals, so they freed them, thus continuing to get something from them.

Money economy also made landowners more interested in maximizing returns from land, economically, instead of keeping max. no. of peasants on it, for military strength. So, at same time they lost interest in keeping peasants, peasants found alternative opportunities in cities, and military necessities taken care of by king.

In Eng., due to Norman conquest, crown taxed nobles; in France, didn't, only taxed 3d estate. Hence greater independence & selfishness of French nobles.

1834 poor law re-established the workhouse, to end malingering of outrelief.

Eng. naturally used her coastal transportation system before her internal, and shipping development naturally suggested international trade.

Technique of leasing land evidently very primitive in England just after enclosures, 18th. "Tenancy at will", one year tenures. Only gradually did the capitalist tenant farmer develop, I judge, in 19th.

The "Yeomanry" etc. developed by inflation, they being tenants with dues fixed in money, inflation made them landowners. Their position was good for land in one sense: they owned only a small part of the whole, but they owned the marginal improvements. Bidding for land not distorted by differential discount rates, because of the dues on it. On other hand, bidding was distorted by non-transferability, as the virtual ownership of the individual peasant or copyholder vs. the lord was due to his presence as an individual or inheritor. He had a racket which was personalized, he had to stick with it.

Hisotory of textile inventions, alternation of spinning & weaving inventions, show how the ec. pressures for them call forth inventions.

German emporer was threatening to take over N. Italian towns, and dominate Pope. Crusades strengthened towns, weakened Germany state, so in 12th, towns defeated Germans. & Pope rose to highest strength in 13th, Innocent III.

Why did Eng. commercial growth slow so in 17th?

kzkzkzx 12th cent. Netherlands, just as 16th Cy., commercial revival associated with Roman law, and its private prop. in land concept.

Hammond says 2d Nat. bank, like first, was killed by private bankers who resente d its restrictive functions. They used emotions of others for their ends. Another element in party was hard money Locofocos, who identified bank with inflation, erroneously. They were duped.

Whigs wanted banks, Demo.s divided. I suppose in those states which absolutely prohibited banking, they used hard money as medium, were perhaps as well off as those states with bank notes, considering what often happened to the notes.

Bank prohibitions in some states were to increase demand for the metals they mined, as media of exchange.

Hammond explicitly states that desire for cheap credit was not as strong in Jacksonian revolution. In Populist, it was. (But the Populist revolt was also inflationary, for its own sake, Jacksonian was ambivalent on this point, hard money Locofocos over-ruled by bankers, who were not so inflationary per se, as they were clever manipulators of emotions)

The hard m locofocos, left wing of Jackson's democrats, messed up on Nat. level by destroying the liquidity trap BUS, but got many states to prohibit banking after that.

Clapham: Ec. History is study of ec. aspects of insituti ns, quantitative.

Nef: Get the whole gestalt of history as unity, b a genius for overall judgements. Don't fill up theorists' boxes.

Labor organization in England, says Broadus Mitchell, succeeded because of legislation that hit all at once. Otherwise, the organized priced selves out of market, suicided. This would explain much in U.S.: we never got widespread unionization because never had encouraging fed. laws, because people voted against them

In 1830s labor unions strong in demand for universal education. One aim frankly to reduce labor supply. Ira Steward postbellum elaborated more broadly. Underconsumptionism too.

As it is business unionism that grows in prosperity, I suppose the general prosperity after 1896 turned tide away from ideological phase to narrow phase -- I prefer monopoly unionism to business unionism, latter is a slur on business.

N.E. a more integrated culture, individuals with both agric. & urban interests. Hence N.E. didn't moan about fall of food prices, westward expansion. Westerners were commercial, specialized farmers, became the vocal agric. interest.

Farmers DID want cheap credit before populism; they used to write into bank charters requirement that a % of loans had

to be long term to farmers. Strengthening my belief that what the farmers objected to was not inflation per se, but to wild-cats financing land speculation.

As the seaboard interests in early America were the old entrenched ones, the movement for protection was an inland movement, represented expansion, new interests. In this sense it was progressive, as any change may beprogressive, by shaking things up, shifting ec. center to new fields without institutional restrictions. So we had govt. passing to Jacksonians, inlanders, new industrialists, protectionists. -- but Southerners captured Democrats, expansionist elements went to Whigs, then formed Republicans.

Domestic interests stressed states rights, old intrenched foreign commercial interests stressed fed. power, in which the were entrenched.

The big error in Turner's thesis that I see is that after 1890 we had relative contentment and prosperity, just before it, depressions & unrest. And also fact that migration was in booms; and that people with much capital went.

Abraham Darby invented the coking method in early 18th, to use coal for making iron. But in mid-19th, American blast furnaces etc. still located in country where they could use charcoal. Due to expensive coal mining, bad transportation?

The era from Jackson to civil war was the states rights era par excellence. It came in with a states rights revolution which swept out the bank, we had only state bank regulation until civil war. Civil war, return to a strong fed. govt.

N. production grew greatly in war, and changed character, and was producing for war needs. But it does not follow that it would not have grown just as much, tho in a different way, w/o the war. For it was growing rapidly in 50s anyway -- that is what turned tide of pop. vs. south, caused Republicanism and secession.

War did have effect of breaking down incipient labor exclusivism, by giving reason to hire all comers. And encouraged labor saving capital.

U.S., continued to have immigration from south & other rural areas into city industry, discouraging unions, even in 20s.

In England, trade had existed long past, so handicraft stage was also a specialization stage. U.S., handicraft stage on frontier, due to bad transportation, was producing entire article, bred tradition of handy men who did lots of things, opposed to union idea of specialty which becomes private property.

Development of factory form of industry is slow evolution, as Hazard showed.. 1810-37, shoemaking in Mass. was moving into central shops and direct supervision, and exporting.

Not until 1875 Goodyear welt machine did last remnants

of domestic system dissappear.

French & Spanish states formed in driving out foreigners, hence had great power. English & German not so, esp. English, so never so much autocracy.

When a region is not growing, as Italian towns in 16th, restrictive elements catch up with progressive ones, and really ruin it.

The Tudors were the Merchant Adventurer kings. And perhaps the reason for 17th slowdown was that Adventurers were intrenched and stagnating in that era, along with landed oligarchy, and Whig revolution finally put some steam into things a ain?

If expansionist free enterprise Jackson elements opposed fed. govt.; and if just after Jackson the industrial development of interior America got going; and if the free enterprise elem ents of Whigs couldn't stick with Democrats, but had to leave them to southern & NE shipping free traders; does it not follow that fed. govt., in hands of seaboard elements, was activiely discouraging industrial development of interior? Motive: international trade elements, wanting to prevent local industries from taking their business. This is something one would expect to happen. But why never read about it? Hacker etc. wouldn't understand that a govt. may discourage industry, not by just refraining from fostering it as he emphasizes, but actively discouraging in various ways. The bank restriction was perhaps one of those ways.

They would also want bank restriction to prevent the boom & bust of '37, which alienated British capital, a large source of goods moving in foreign trade.

Reason for growth of labor movement in US in 30s was, inter alia, immigration stopped. Now, still, wetbacks prevent unionization of Cal farms.

Misc. notes from Bogart

More r.r.s went out than came in during 20s, net loss of mileage.

Transpo tation Act, 1920, inspired by wartime experience, empowered ICC to regulate rates, & labor conditions.

One feature, dropped in '33 because unworkable, was a special levy on profits of good roads to pay off debts of poor ones.

Land grants to r.r.s by fed govt. given between 1850 & 1871, when policy discontinued.

1890, end of most rapid expandion of rails. Gt. Northern, & St. Paul, came afterwards.

(how did eastern roads grow/? Were they subsidized in some way? Subsidies to w. roads are what are publicized.)

1860-1900, rail rates fell steadily, & much. (due to increased traffic to share overhead?)

These lower rates caused progressive decline in water routes; & in production of cereals in N.E., shifting to N.W. (so in this sense r.r.s compete -- as their areas compete in world mkts. But this is obviously very limited, & doesn't mean we can have competing r.r.s as means of regulation)

While Erie Canal & Hudson were chief avenues for western commerce, NY grew. With r.r.s, Boston, Philly, Baltimore, got back in game. In 1876, rate system estab. that made rates slightly lower to Boston, Philly, Balt., thus compensating for natural advantages of NY, giving them some western traffic.

In passenger service, we got higher quality, rather than lower fares.

Discriminatoryrates widespread -- taking in ec. rent of course. Grangers, state legislation to control charges, 70s -- w. & s. states.

Combinations began early, for end to end lines. Then pools, for parallel lines, which were rate agreements. Pooling in 70s. But 1887 ICA declared illegal, so took to traffic associations, without pooling clause. 1897, declared illegal under Sherman. So took to combining. Interlocking directors, & common ownership.

1876, Granger cases, Munn vs. Illinois, power ofstates to control r.r. rates recognized, even interstate.

Various r.r. combinations broken up by fed. prosecution, 1900-15.

1886, Supreme ct. reversed self, states couldn't regulate interstate commerce, so Congress had to, 1887 ICA.

But courts quickly sheared ICC of all power to regulate rates. Act had probibited discrimination, required reasonable rates -- by implication ICC could fix rates --- etc.

Early 20th, several acts: Elkins, Hepburn, Mann-Elkins; enlarged ICC powers again.

Misc. thoughts on Speek, "The Singletax and the Labor Movement", Madison, 1915

In 1886, depth of depression, flareup of lockouts and strikes. (a "lockout" may represent employers trying to pound employe's into submission; but more likely xx that is incidental, main cause is are closing down plant anyway, for lack of investment (gross); and to exploit monopoly, and monopsony (the lockout) positions.) Labor suffered much, from its lack of legal power -- e.g. at that time only men of property were allowed to be jurors. Was picketing, peaceful striking, this was allowed, but employers organized vs. it, & they were allowed to do so. Common law vs. conspiracy and general civil code much used by courts vs. labor -- courts were pretty uniformly against them.

There were strong unions, however.

In 1886, NY unions thru their "Central Labor Union" (a central xxxxxx political, bargaining, boycotting, strike-fund-distributing organization)(fnded 1881) tried to xx win a NYCity election. Republicans were conservative, Tammany distributed favors to corrupt vote-getters, this labor movement wanted them for its members. (hence the weakness of such movements, in criticizing other holders of special privileges) Formed a 3d party. Members were largely fairly new immigrants, naturally victims of prejudice: irish, Germans, Bohemians, largely. They were divided among selves, had various conflicting theories: German socialists, Irish land reformers, e.g. Greenbackers, Marxists, Nihilists, singletaxers, socialists, etc etc. Knights of Labor, Anti-Monopolists, Unionists, etc. They needed a strong leader, connected with no faction, of old American stock. Henry George the man.

George accepted, with purpose of bringing his ideas to public attention. Were some restrictive organized labor points on platform; he was definitely running as labor's candidate. His proposals amounted to: exempt improvements, tax land, and make labor strong; socialize utilities.

I suppose this alliance was indicative of the old American free & equal philosophy of locofocos, Jackson, George, on way down, meeting the European restrictive gild idea coming up. At that time much of mixture of alliance was distinctly frontier liberal: Anti-monopolists, Greenbackers, singletaxers, Knights. Today, when such movements are dead, labor not so discriminated against because immigrants, & no new immigrants, gildists can work in their own name.

During 1886 campaign, became clear that socialists & singletaxers incompatible. Socialists had compact organization, unity of action, won out. (besides, their doctrines were potentially restrictive, more palatable to prop. owners)

Socialists stressed class war, singletaxers class harmoney.

Tammany was allied with Catholics -- presumably trading votes for tax concessions, etc. "..grants of public ~~money and~~ property and lavish appropriations of public money..."--HG, 102

He observes that in prosperity, most strikes succeeded, in depression most of them failed. Prosperity was 1878-83. (If we regard strikes as natural incidents in bargaining, this simply reflects changed bargaining environment. When mkt forces pushing wages up, strikes succeed.)

A labor plank at this time was equal pay for equal work when done by women. But I'm suspicious if this phraseology doesn't conceal a real desire to reduce am't of work done by women, by forcing them to charge more than market -- that "equal work" of course means roughly similar niche in factory, even if woman not as good as man. Gompers criticized single taxers for not concentrating on tangible, immediate goals. He wanted: discrim. vs. children & women labor, & 8 hr. day. (i.e. reduce labor supply, instead of increasing land supply) He was frank, at least in one statement, that he wanted to discrim nate vs. women.

Socialists offended by pervasive influence of George, in what was originally more or less their baby, big fights, split.

Irish sided with singletaxers, Germans with Socialists. Socialism was German pretty much all the way (& national socialism the outcome)

Suggestion, p. 127, that many farmers were evicted by sheriff for non-payment of taxes in 1880s. If so, suggests property taxes were high, & enforced. Thus further explaining the low land values of American, & hence weakness of org. labor.

Splits, squabbling, singletaxers finally threw Socialists out of United Labor Party. Singletax party then polled many times more votes than socialists, 1887. But neither got much, not nearly as much as 1886, for Democrats & Republicans, having felt their potential strength in 1886, made concessions to them in platforms. Besides, general industrial conditions had improved, feeling died down. Democrats had come out for protective labor legislation, thus getting labor vote. (& I imagine they switched taxes toward land values more, as in Oregon after 1913, w/o officially making much change)

Organized labor didn't support singletax, because it preached harmony of capital & labor, they thrived on disharmoney, (& class legislation for them) (& high l.v. for them to capture)

Not only did they lose votes, but subscribers to the Standard dwindled.

George's pride hurt. He tried to blame others. (according to Speek)

1887, in view of failure in NY, he tried to shift to free trade, uniting with Democrats -- Cleveland having advocated lower tariffs that year. It was becoming main issue between Republicans & democrats then.

146 McGlynn says rotten Tammany is interwoven with "Catholic ecclesiastical machine" in NY

George changed his tune. Previously, he wanted a 3d party; now 1887 he sought to just educate, & work thru Democrats for free trade. McGlynn split. McGlynn & followers ousted George & followers from United Labor Party, took it over, kept at old lvt idea. Some suggestion of personality clash between the two, omnipotence desires on either side.

1888 campaign, McGlynn & United Labor Party ignored tariff issue entirely; George emphasized it primarily, supporting Cleveland. McGlynn noted that Fed. govt. could inaugurate singletax in all the territories & D.C. I suppose it still could -- Hawaii & Alaska -- & on public lands, when sold, including tidelands.

Would be interesting to learn about tax policy in territories & D.C. -- have local landowners gotten congress to do monopoly things for them? How do they tax? Having no representation you'd expect lvt, as most to advantage of others. But local govts in territories prob'ly independent, etc.

McGlynn was a bit wacky: instigated "fair rent" strike of bldg. tenants in NY. "Pay only "fair rents"", he said. George criticized rightly.

It seems rather odd that George should so rigidly throw out socialists, & join so eagerly in same party with Democrats. Especially after having seen how effective his 3d party movement was in getting big parties to adopt some of its principles. Perhaps personal ambition is the answer. 3d party people sacrifice themselves. If they get many votes, the big party men steal their thunder next time. They never et any patronage, no positions, no prestige. Perhaps George just wasn't willing to make this sacrifice.

He didn't want a 3d party, saying this would just take votes from democrats, lessen chances of free trade. I think probably 3d party threats are much more effective thananything in forcing big parties to instigate certain measures -- as duopolists, they will go to great steps to pr event new entry.

United labor party got very few votes in 1888, collapsed. Demos also badly beaten, & Standard circulation fell more. Votes that HG had gotten in NY had been for him personally, not for his ideas. George's change of ideas greatly lessened his personal following, & the split & squabbling in party weakened it, too.

Results: socialists have never again attempted to fuse with anyone, maintaining independent party.

Organized labor turned to narrow monop. unionism, avoided big social issues.

After singletax was divorced from organized labor, it became more respectable, McGlynn was re-communicated in 1892.

Australian ballot was put thru in connection with single tax agitation in late 80s.

These were main material results.

Above is end. Now go to beginning.

~~Chs~~ Edw. Kellog was American Greenbacker.

p. 11 1877 depression, in west, rent continued to rise, while wages & int. were falling. Because labor & cap. were pouring in, regardless. (& of course fall of int. made l.v. rise still more)

18, lists predecessors who advocated lvt: Locke, de Vauban, Vanderlint, Turgot, Adam Smith, Mill. Cites passages.

21 JB Clark, in "Distrib. of Wealth", credits HG.

23 Says single tax growing in popularity, "There is a marked tendency, especially in the cities, to tax unimproved land higher than improved." Gives no support. If true, things have certainly changed -- and they have.

27 Central Labor Union of NY membership, heavy with bldg. trades. So they must have got started first. (or else were split into smaller divisions) Indicating restrictive urban trends.

No. of union members was constantly fluctuating (unions much less restrictive than today)

1886, Central Labor Unions had been formed in other chief industrial centers. They considered joining, but idea fell thru, NY (& I suppose others) got absorbed in local policits. (Because they had local monops to exploit, but not yet national or internat?)
'Industry-wide bargaining' a later development.

29 Were often different unions in same trade, conflicting, speaking different languages, having different philosophies.

After 1884, boycotting, used very successfully. 30. Would boycott firms just for discharging union men (so you can see they were strong even then)

213. American Economic History. (cont.)

selected by the instructor. A number of questions of interpretation are taken up, leading to discussion of working ideas of an institutional character.

all sounds familiar

The topics covered vary somewhat from semester to semester, but the following are generally included: (1) frontier hypothesis and its corollaries; (2) land policy; (3) plantation economy before 1860; (4) rise of industry; (5) banking prior to 1860; (6) the Civil War and industrialism; (7) Southern economy, post-Civil War; (8) position of agriculture in the American economy, 1865-1914; (9) labor movement prior to World War I; (10) economic problems of the 1920's; (11) New Deal; (12) economic history, the field and its problems.

CLU also organized new unions.

Mid-80s, 8 hr. day drive on, but failed. Was unions depression remedy of time -- (spread the unemployment around)(Partly restrictive, partly share the work idea -- probly marks transiton between Knights ideas & Gompers) Criticism of idea: should do other resources, not -A labor.

Conspiracy law, in various state statutes, a main weapon vs. unions, rigidly enforced, hurt unions bad.

Radicalism of CLU due to its immigrant constituent. Irish, e.g., political refuggees from home were their main leaders, because land question burning there, they stressed it here (hence their sup ort of HG, no doubt)

Knights of labor, small & secret in 70s, large & open in 80s. Industrial cooperation a plank -- reminds Speek, a European, of French Syndicalism, except latter was revolutionary, Knights conservative & legal.

Members muchly American & N. European, esp. Irish. Had rituals, ceremoney, religious sentiment -- Socialists disapproved. & a preying vague program.

Greenbackers. During war, bonds had been sold for greenbacks, ~~xzixzhz~~ during inflation. Postwar, bankers influenced govt. to repay in gold equivalent, altho not required. 1873, stopped free coinage of silver.

Greenbackers were farmers, small mfrs., laborers, who wanted inflation, low i.r. for them by breaking bank monop., increasing credit facilities. Also vs. xport monop.-- producers goops part of program.

Coop. movement was failing, 1873, because of expensive credit. So it changed into Greenback movement, for cheap credit, in 1873.

1878, height of political success, over 1m votes nationally for Greenback party. Then waned, as such at least. Broke up in 80s.

Were individualistic: advocated banking reform by which everyone could get m for his small enterprise.

46 Socialists, mainly Germans, frustrated in coalition attempts, various parties didn't see things their way. They couldn't understand their ideas weren't applicable to US, where had civil liberties, where people wanted to become small enterprisers, had suffrage.

Prairie tiers of states, 1890 census show, had the largest mortage debts in U.S., despite smaller wealth. (this indeed suggests that settlers were poor -- otherwise would have more mortgages in east, where l.v. higher on which to lend. But if farmers there already had capital, less lending. In prairie, farmer & capitalist were different people in this era)

Wild urban antic. on prairies, too.p. 25, described.

Munic. bonds voted wildly, for p.w., & to subsidize local factories. Easterners bought the bonds (so promoters really took no risk) Small investors went for mortgages, big for munic. bonds. (false security?) Many transparent frauds. Bonded selves, too, to attract r.r.s. -- subsidized them to come.

1887, for 10 yrs., less rain, stopped boom. Far westers became submarginal, came home. Others had equity left, stayed, were core of discontent. Interest, & taxes (often to pay int. on bonds) didn't deflate with currency.

As pop. fled boom areas, left control in conservative hands. So they didn't revolt. (also, made them restrictive for some time no doubt)

Central cties of prairie tier was where farmers stayed on but suffered, heart of revolt.

CHAP TWO: SOUTHERN AGRIC. AFTER CIVIL WAR

So. became small farm area to much extent. & so grew more ... west, political union possible. Common debtor status also a bond. (tho in so. much of debt was not in M, but "crop liens", merchants supported small farmer or tenant thru year, for lien on crop, not money. But these merchants on their turn borrowed from banks, northerners, here was inflation motive)

But so. small farmer more likely to be ~~kenzmak~~ tenant, unlike west.

So. banking destroyed in war, & lacked cap. to rejuvenate it. Outside cap. wary -- no l.v. (& unfavorable political climate) In Texas were ½ so. ~~kenkmx~~ nat. banks, 1895. Many cties had no banks.

Merchants took over, forwarding goods on crop lien. Precedent in old relation of factors with planters. Lien laws legalized.

Some revival of old factors, doing same. Cotton price good, cotton was good security.

Landowners wanted to be allowed to require tenants to borrow only from them, really reduce them to subservience. Merchants wouldn't allow this, it would have meant landowners had monop. of stores. So laws came to be that merchant could have lien on crop of tenant -- senior to landowner's lien ~~xzjzdgazperhazax~~ sometimes.

Landowners became merchants, & v.v., 2 classes merged.

When you borrowed from merchant, you lost much freedom -- had to buy from him only, & sell thru him. From one view, it seems you became a slave once you borrowed, for he could charge high prices etc. From another, he was limited by fact people could run away, taking his capital -- i.e. leaving debts behind. ~~Butzwhen~~ Times of good opp. elsewhere, this probly increased risk muchly, thus increased i.r. & field was free, new people always entering, didn't really have monop. position. Many storekeepers went bankrupt, risk so great.

Cotton could not be consumed by producer; was storeable, imperishable, always marketable, easy to handle. So it was much easier to get loans on cotton, which encouraged cotton production. Merchant also encouraged this because if his customers were less self-sufficient, they had to buy more from him. If he planted soil building crops, he would buy less fertilizer -- & he bought large am'ts in this era. of types of fertilizer which stimulated years crop, didn't improve soil permanently. & labor force knew cotton best, resisted change.

What change there was, from ante-bellum, was towards more cotton, more specialization. (natch -- plantations had been more self-sufficient)

Early 80s, loan co.s, such as thriving so in west, came s. Offered credit on r.e., contrast to merchants who only loaned on crops. (suggesting that in early 80s l.v. rose?) But they didn't do much.

Local merchants themselves often borrowed, & at high rates, from banks, to finance their crop liens.

Industry got northern cap. much easier than s. ag. Birmingham, cotton mills, tobacco plants in NC, sugar refineries in La., cottonseed oil in Texas, etc. (lumber mills)

Cities, rich there, dominated s. politics. He's vague, but I judge because white supremacy issue made farmers vote unthinkingly Democrat -- Pau An says they wouldn't vote Populist for this reason, white supremacy overshadowed all else.

(Jackson, says Pao An, undermined power of Nat. Bank to restrict credit by moving govt. deposits to other banks, the "pet banks", which were state banks. Thus allowing banking boom to move on unchecked. His hatred for bank was doubtless because its restrictive policy prevented boom, inflation, freeing from debt, etc. Also perhaps because of bank's assistance to certain land speculators -- probly easterners, thus increasing divergence of mrs, not reducing. It was stressed that bank was privately controlled by eastern interests, was allied with govt., perverted public functions toward interests of private easterners.

Jacksonian revolt differed from populists in being more optimistic, boomer, positive. Both were inflationists, but Jackson was so in to create a boom; Populists to salvage selves & their existing equities after deflation.)

Chap. 3 The Grievances

1870-97, steady fall of P. Hicks sees what Mosk didn't, that this hurt debtors even tho urban products fell more. Besides, it isn't primarily a matter of whose position is worse than it was in some base pd., but where there is a power vacuum giving an opportunity to improve position by political action. Populists lived in states which had been created with disproportionate polit power by eastern dominant interests' desires, reflecting fact that these interests knew they could influence elections there much -- e.g. R.r. passes, campaign contributions, etc., & disorganization of local people implicit in homesteads isolation. Now these local landowners were organizing & taking over.-- perhaps eastern interests had foreseen this, too, vaguely, but knew that, altho they would have to share power with another propertied class, it would at least be conservative.

Power vacuum idea is not whole story either. For there is a definite tendency, thank goodness, to judge insitutions on their fairness & equitability. Deflation had been for one class, which happened to be politically dominant. Perhaps their deflating was an over-exploitive exercise of their power which caused revolt. Sure -- farmers would consent in their rule if they treated them well.

But debt burden was biggest issue, both s. & w.

R.r.s, in financial trouble, could reorganize, scale down debts, so why not farmer. Objections to mortgage foreclosures. (Result of foreclosure was to concentrate ownership of course. (So deflation results in increasing concentration) (Another good effect of inflation)))

-- Shows rr did have great pol. power.

The Subtreasury Plan

S. Populists esp. wanted it. Govt. to build warehouses, buy crops at harvest time -- well, store them, & give farmer 80% their value, until he sells. i.e. govt. to go into grain speculation, lend at very low i.r. (1%), give free storeage, bonded warehouse, grading, etc. & govt. was to issue M to ~~pay for~~ make the loans, thus expandin m supply then at harvest.

The grain was security for the M. Thus giving farmers low i.r. & inflation.

(Not to be confused with Independent Treasury System, started in 1840. ITS, sometimes c lled subtreasury system, was a bunch of treasuries around country, independent of banks, repositories of govt. funds. Was inspired by fact that in 1837, govt. lost large sums, deposited in state banks. Poor Jackson -- he deposited M in these pet banks to spite Biddle &, more important, break his power. Succeeded in that, but caused great bust, lost govt. funds too. Schlesinger says Biddle deliberately contracted currency to cause bust, but this sounds like b.s. to me -- Jackson deprived Biddle of power to do this.)

It is really a plan to finance farmers to hold grain off market. But not with any very restrictive motive. For function of speculator is to hold grain off market until more demanded. Were just replacing him.

N. Pop.s called for govt. r.r. ownership; s. for subtreas. They compromised reluctantly. (suggesting that in s., credit situation was worse, speculators were getting more. & not nec. that r.r. situation worse in N., but northerners had more ima - ination)

Subtreasury plan dropped in favor of free silver, 90s.

The Populist Contribution

Began idea of ceasing to run away to west, turning to social reform -- & to govt -- for help.

Direct elections, various devices for closer popular control of legislatures, they fostered. Australian ballot, initiative & referendum, direct election of senators, women suffrage, easy amendment of state constitutions (not yet in Ill), primary elections. Too often legislatures failed to pass things to which majority pledged.

Changed habits of many straight ticket voters, e.g. in south, began breakdown of solid s.

But in s., where populists tried to take power from Bourbons, a combination Populist-Republican regime in NC showed what horrors might come from negro power, country people just had to return to Democrats, on white supremacy issue.

Aldrich -Vreeland Act, 1908, authorized lending to banks in panic. Then FRS, with elastic currency ideal, follow d Pop. demands.

Warehouse Act, 1916, -- authorized DA to license warehousemen to store, ~~xxxxxx~~ grade, etc., & issue certificates, & on these farmer could borrow better than otherwise. Not clear why DA had to do it.

Land banks etc. Under FRAct, nat. banks may lend on farm mortgages, unlike before, & FRBanks may rediscount 6 mo. farm paper.

Various McNary-Haugen bills of 20s wanted fed. board to hold farm products, dump abroad, etc. (but probly dump abroad in such ax way as to allow generally higher prices abroad) These never passed. But, '29, passed bill ~~allowing~~ creating board to encourage farm coops, which coops encouraged to "deal with problem of surpluses". (thus cartelization comes in slump, unlike integration, rationalixation, which comes in boom)

ICA, 1887, inneffectual, as was most state r.r. reg. Elkins Act, 1903, effectively struck at rebates, & then long series of really workable laws got going. Hepburn Act, 1906; Mann-Elkins Act, 1910; Transportation Act, 1920. Put ICC very high & powerful. State reg. also got tough. So abuses which farmers objected to were fixed ok.

(Generalizing, era since populists has seen political power shift to farmers, from time when they were very disorganized, were just a new privileged group in process of creatio n by old privileged group which wanted allies. So we have enigma that as farmers have fallen in relative numbers, have increased in power.

Their conservation plank found expression in TR -- who withdrew more of domain, or tried to. This may have had restrictive bias -- old farmers wanted to prevent creation of new ones. They also spoke up vs. land spec., but what they meant I don't know. Restrictivism wasn't paramount, for 1902 Reclamation Act. Roosevelt withdrew subsoil resources, much timber, etc.

Anti-trust legislation their idea too.

Hicks, 2

Ia., 80s, grew less than country as whole, as frontier to west drained it.

Hicks

(Seems dubious to me that pressure of those who wanted to settle land caused homestead act -- for any foreigner, with intention to become citizen, could acquire title by 5 yeers rsidence, same as native.)

Postwar Ag. Policy, Oct '44, Ass of Land Grant Colleges & U.S.

Steagall amendment, etc, authorize 90% parity supports for 3 yrs 'after close of hostilities.' Problem of storing surpluses. Just storing them lowers prices. & Wasting them impolitic (thank God) Suggests tapering off.

Need for better anticipating by farmers, to make what needs better.

3m Family farms now. 80,000 'larger-scale farms & plantations' 1¼ m supplementary to urban. 1¼ very small, many subsistence.

Much of huge mortgage debt which made farmers lose land was not due to productive loans, but loans to buy land at spec. prices.

Bray Hammond

Stresses contradiction in Jackson's democrats. Left wing, hard-money agrarians, were not enterprise element. Jeffersonian ideals, agricultural primitivism. Opposed banks on this ground. They were associated with cities, economic aspirations (he doesn't mention land speculation, probly should), destruction of the simple, local, rural, cooperative society.

This element exploited by the "Democrats by trade", those who used party to break open the old guard, open way for selves. Private bankers were such. They turned wrath on the BUS, which was holding them in check.

After crash etc., this agrarian philosophy, -- an element of which had been aversion to central control, which was used to oppose BUS --- turned to states to regulate banks, & in many states banking was state mnp for years before Nat Banking Act.

(Besides, govt still regulated reserves some, thru its indep. treas. But still, this was time of wildcats in various western states, & southe n.)

(It stands to reason locofocos objected to land speculation activities of banks. They were simple agrarians, natch were for owner operation, small farms, etc. They were predecessors of homestead act, etc)

Alderfer, Economics of American Industry
Wharton School

NY, McGraw Hill, 1942

Part IX, The Changing Pattern of American Industry

Ch. 37: The changing pattern of historical development

Pre-revolution, mostly farming, lumbering, fishing. Some exceptions. Molasses, (made into rum here?) imported from Indies. Ship-building. We depended so on foreign trade that we natch went into this industry. A few big industries, e.g. Hasenclever iron works, N.J. Mostly, capital, labor, land, could get more in shipbuilding, commerce, agriculture.

Revolution stimulated home industry. We managed to produce enough for army. Postwar, British deluged us with cheap products of their new techn. revolution, mfr stopped.

Then Nap wars, blockade, our export embargo, & 1812. Shipping became unprofitable, mfr profitable. (Just as in present situation, w.w. 2, Europe rode hard over colonial areas, exploited them to full to win war, so they rebel. Just as we did, & under similar stimulus. For did not our protective system start in 1816?)

Early part of Nap wars, we had gone into shipping big way. War made it esp profitable, despite siezures. But they got so bad, embargo, & in this era other countries took over carrying trade. Postwar, things not so good for our shipping.

Mechanization began, as in Eng, in cotton textiles. Slater, Pawtucket, 1790, the cotton mill carried in the head. Americans made many improvements, too, & this industry moved along steady from then. Used N.E. water power for first years, 1850-60 esp saw more use of steam.

1846, swng machine invented, & ready made clothing, which had first appeared c. 1825, boomed. (previously people had just bought the cloth. Then made it up themselves, or had small tailor do it)

Then sewing machine adopted to shoemaking, shortly after.

Vacuum pan for sugar refining; vulcanization of rubber; hot blast for smelting iron; low cost steel. Were other precivil war innovations.

1836, important revision of patent system, helped. Before that, could patent anything. Then, validity of patent was predetermined. Before, had little protection, but could disrupt everyone else.

R.r.s, canals.. Labor immigration. Tariffs. All important.

Corps little used, save in cotton, before civil war. Then they boomed, to get capital together. 80s, Trust form used to form mnpies. 1890, illegalized, so holding co. replaced it.

1911, Supreme Ct promulgated "rule of reason", that mere bigness not condemnatory, but abuse of power. This in Standard Oil & Am Tob cases -- ordered them dissolved, incidentally.

W.W. 1, vast increase of industrial production & plant, leaving postwar great capacity.

Scientific management, mgmt as profession, grew 20s. & personnel mgmt. Mkting techniques, like instalment selling, on which consumer durables mkts depended much. More frequent redesigning, more attn to styling. Organized research.
In a word, more formal, organized attn to everything that had previously been not institutionalized.

20s, co.s turned their bonds into stocks when they could. (Note tendency of corp to become self-financing, self-perpetuating, a true person, but immortal)

Mechanization, due to immigration barriers. (probly d inv opp for a while)

In 20s, another wave of consolidations. Unlike that of c. 1900. Then, sheer size was object, was overvalued. Operating results of many of those earlier companies revealed they were too big. Or at least promoters had too indiscriminately collected together all kinds of enterprises that had no business together. 520.
Consolidations of 20s were more rational. Usually reduced duplication in advertising, distributing, were causes, genuine economies. Nationwide distrib. & advertising increased opt size, establishing trade names. General Mills, Gen. Foods, Internat. Paper, Texas Corp., thus consolidated.

When one co. absorbed another in 20s, was more to use the assets: strategic location, est. mkt., special equipment; than to de-use them.

Trade Assoc. burgeoned, postwar years. Many motives besides restricting output. But many formed under NRA, '33-5.
No sooner was NRA repealed than we had NLRA, '35, & labor organization got going strong. (Tho U.S. News said recently CIO has only c. 3m members, cf AFL's 6m)
'38, Fair Labor Standards Act, tougher yet (on investors).
40¢ min. wage, & no kids under 16.

'35, Connally Act, govt assistance to states in curbing petrol prdctn.
'37, Bituminous Coal Act, brought industry "under closer govt control" (Dict.s say these two acts, Guffey-Snyder & esp. Guffey-Vinson, fixed price of coal, along with conditions in mines, wages floor. Thus coal was mnpized by govt) Court at first rejected, but after packing let 2d one by, 1940.
'38, Wheeler-Lea Act, strengthened FTC to crack down on injurious drugs.
Miller Tydings Act, '37, legalized retail price maintenance by exempting such contracts from Anti-trust, in states which legalized it.
(was also in 30s that milk control by states came in, thru state law.)
('37, packed court legalized state min wage laws, in West Coast Hotel Co. vs Parrish. Then, '38, fed law, 40¢

Soc Sec Act, with its payroll tax.
AAA
Munic Bankruptcy Act, as well as general bankruptcy act.
SEC, which probly restricted new issues.
Banking mnpized -- this probly explains much oB banks' reluctance to dM in this era.
Glass-Steagall Act, '33, denied commercial banks & trust co.s right to engage in inv banking.

Steel:

Pittsburg Plus, adopted with USS, confirmed 1921 Supreme Ct. But 1924 FTC required further basing pts, & c. 12 major others adopted. Share of USS gradually dropped. But previously, it had kept uniform P all over, & forced others into line. Kept P low in boom, but didn't let it fall in bust. Pd. of "friendly competition"-- for this steady P policy meant were not driving others out of business.

After '24, competition increased, price shading commenced.
Independents consolidated somewhat, & expanded.
Type of demand changed (this always favors new co.s, of course, as they can be tailor made to the new demand. Shifting demand thus important to competition. & advertising perhaps helps demand shift)

The rolling mill, for light sheet & strip steel, introduced after '25, under licenses from Am. Rolling Mill Co.

USS lost ground to others, because they adopted to new mkts. USS had managerial responsibility in NY, finally was reorganized & reformed, put it back in field. Others made up orders to specifications, in smaller quantities, preferred co.s with flexible orgs & policies, which USS lacked. Others more profitable - esp Inland Steel.

30s, 2 major changes. 1, Unionization. '37, USS accepted it meekly, w/o the anticipated battle -- thus leaving others to fight their own battles, which USS had fought for them.

2d, '38, Carnegie-Illinois, USS subsid, cut price. Price cutting had been accepted; but this cut was contrary to Pittsb. plus. Then Bethlehem made Buffalo & Sparrows Pt basing pts, lower eastern price.

1864, first Bessemer steel appeared on mkt. Filled long felt demand for strong, durable structural. '68, open hearth first. Tariff, too, stopped imports of Eng.

Coke industry developed quickly, as new in ustry required it, rather than expensive charcoal & antrhacite.

Wheat:
Milling is small expense of total. Baking much more. Milling very simple, highly mechanized.

Early water mills extensive early industry. New England declined, Hudson Valley, NJ, SE Pa, Richmond took it up, c. 1800.

With westward movement, Rochester became the flour city. Fluted cylinder grinders replaced millstones.

Then St. Louis, which specialized in southern trade.

Winter wheat was universal. Then, settling NW, spring wheat nec. Wheat of this area proved higher quality. Was hard wheat. To mill it, new process devised which left more gluten on. Gluten made baking easier. Minneapolis boomed, as NW wheat did, late 19th.
Then soil exhaustion, quality fell. SW area, Kansas City milling, grew, winter wheat again. & came to be less demand for quality, low price became greater consideration, as home baking declined, chains sold under own brands.

Higher freight rates, boomed Buffalo, because of low water rates. & it became bigger miller than Minneapolis, 20s. Also milled bonded canadian wheat, bonded for re-export, entered with no duty.

Opt. size rising, tho many small mills remain. Larger mill can produce more standardized flour, by blending from large areas.

Very stable demand; coupled with changed production, means very unstable price to farmer. Milling is depression proof. (indeed, demand for cheap foods should rise in depression)
General Mills, Pillsbury, & Archer-Daniels-Midland, big 3, 30% output. But this doesn't keep price steady -- even tho demand is steady.

Big Mills hedge, small do not.

Tremendous excess capacity in industry. Muchly in Minneapolis. Because of the many marginal mills that come in & out, as prices change. Small mills have most excess capacity.

Pretty good studies of many industries.

Taylor, George Rogers: A Brief Hist. of 2d BUS

2d BUS fd. 1816, by same party that destroyed 1st, because of war. Govt. credit went kaput. Private banking expanded, notes bad, save in NE.

Wealthy internat merchants: Astor, Girard, Parish. Supported having bank. Purpose, aside from war financing, was to force state banks to resume specie payments, provide nat. currency.

(Opponents charged "mmp". What was mmp? It had govt deposits was one. Perhaps had only nat. banking charter, i.e. right to do business in more than one state.)(Free of state taxes, M'Culloch vs Md.)

1820, Cheves, put thru severe note contraction (perhaps caused depression?)

Biddle expanded carefully, 20s, But greatly, bank notes out quadrupled.

Transferred capital westward.

1815-24, was Treas. which acted as central bank, restraining expansion to 1819, bailing out state banks in crash.

But in 1825, sharp crisis, Biddle took this over.

But, 1833-4, Biddle went power mad, contracted currency to win personal battle with Jackson, prove bank was important -- & succeeded in confirming accusations that it had too much power.

Bancroft, George, letter, 1834.

Bank has too much power. Can put branches anywhere, untaxable. Can acquire r.e. "under mortgages". Can resist inquiry.

With its lending power, has equivalent of patronage, political power.

Schlesinger: The Bank War, from Age of Jackson

He is more subtle than I expected from Hammond. But does fail to give bank credit for c.b. functions, attributing subsequent boom to villainy of boom & busters.

Since govt. would accept wildcat bank M for taxes; & land sales; govt was virtually guaranteeing notes. (so no wonder govt demanded they pay in specie. & it was Jackson's breaking BUS & failing to provide another homologous inst that brought this about. Schl. shows awareness of this contradiction in policy; but doesn't criticize Jackson for it in any way)

Gouge wrote hard M treatise, good.

Doctrinaires like Jackson, Benton, rather than most westerners, wanted hard M. Most wanted state banks, local control, inflation.

Hard M-ites were eastern workingmen; & Jeffersonians. Their alliance with banks & western inflationists to destroy BUS was uneasy, based on power & emotion considerations, not reason.

NY, jealous of Philly's choice as financial center, also vs. BUS.

Gouge, Short Hist of Paper M & Banking in U.S., not pure hard M. But would limit private banks to commercial loans; & end bank notes.

They criticized paper M because it led to boom & bust, by cumulative expansion & bust. Turning pt. caused by gold outflow, consequent distrust of banks, succeeding too great trust.

I.e., they objected to banks' lending on land; & to govt underwriting, or appearing to underwrite, bank notes. The abuses they pointed to were private land & much govt.

'Hard M' people then were really commercial loan people, probly inspired by land spec. & ΔM abuses.

Opposed to frontierists, who had land, not commercial loan collateral, wanted land as loan basis; & wanted inflation, as debtors. This a recurrent theme.

Another motive of western inflationists would be to get loans at lower i.r. so they could compete with city & east to buy & hold land.