Where Society's Claim Stops:

An Evaluation of Seligman's
Ethical Critique of Henry George

By ROBERT V. ANDELSON

In the distribution of wealth, the just satisfaction of individual claims requires that society's claim be also justly met. Such is the most general crux of Henry George's message. But where does society's claim rightly stop? George's answer to this question set forth boundaries sharp and well-defined. In the hands of others, the boundaries of society's claim have been so far extended as to constitute no boundaries at all, and the claims of individuals proportionately reduced to nothing.

Among these others, few have had the influence of Professor Edwin R. A. Seligman (1861-1939), long-time doyen of American tax economists. As one who advocated an extended view of society's claim, Seligman overlooked no opportunity to challenge the restricted view of George. While most of his objections along this line had been advanced in one form or another by earlier writers, they achieved their greatest impact under the aegis of his authority. Such attempts as have been made to counter them have mainly taken place outside the normative stream of economic literature and have hence been but little felt despite their cogency.

The recent publication of Steven B. Cord's valuable study, Henry George: Dreamer or Realist?,1 is but one of the latest manifestations of a revived appreciation of George as a social thinker of contemporary pertinence. Reviewed with disappointing brevity by Charles Albro Barker in the July, 1966, issue of The American Journal of Economics and Sociology, Cord's book is a critical analysis of the way in which major American economists and historians have dealt with George over the past three-quarters of a century. One conclusion which emerges from the book is that the revived appreciation tends to be limited to certain rather superficial aspects of what George proposed, and does not preclude the concurrent acceptance of ideas antithetical to some of his most fundamental premises. This may be viewed, at least in part, as testimony to the durability of attitudes which Seligman helped greatly to engender. For this reason it is especially to be regretted that Cord's treatment, while

masterful in most respects, exhibits an unwarranted readiness to acquiesce in some of the Columbia professor’s strictures.

The moral rationale for George’s system rests upon two logically independent but complementary arguments, one primary and the other secondary. The first of these is the argument that since God created the earth for the use of all men, no one has the right to arrogate to himself exclusive access to any portion of it without indemnifying those thereby denied access. The indemnity, amounting to the market value of the advantage, i.e., ground rent, is seen as a divinely-provided fund which should be used by the community to meet general social needs.

The secondary argument is that inasmuch as the market value of raw land is wholly a social product, that value should be appropriated by society as the most “natural” and equitable source of public revenue. The primary argument is directed, at least initially, against private ownership of land and espouses the public appropriation of ground rent simply as a mechanism whereby such ownership may be rendered ethically and practically innocuous. The secondary argument, on the other hand, bypasses the matter of land and attacks the question of ground rent directly.

Both arguments, it should be noted, assume the labor theory of ownership, which in turn is rooted in the doctrine of natural rights. Given classical expression in Locke’s Second Treatise of Government, the labor theory of ownership asserts that since the individual has an inherent right to his own person, he has a right to his labor as an extension of his person, and therefore a right to whatever that labor produces when applied to the opportunities afforded by his natural environment. This product he may consume, save, give away, bequeath, destroy or exchange at will. But inasmuch as land is not a product of human labor, it may legitimately be treated as private property only so long as there is “enough, and as good, left in common for others.” Translated into economic terms, this means only so long as it has no market value. Implicit in Locke’s position is a corollary upon which George laid emphasis: “... as labor cannot produce without the use of land, the denial of the equal right to the use of land is necessarily the denial of the right of labor to its own produce.”

Seligman’s ethical critique of George is summarized in the third chapter of his prestigious Essays in Taxation, which also contains a number of pragmatic objections not germane to this discussion. It begins with the

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2 Chapter V, paragraph 27.
misleading statement that "the essential feature of the Single Tax is the singleness of the tax. . . ." In his essay, "The Classification of Public Revenues," he defines a tax as "a compulsory contribution . . . to defray the expenses incurred in the common interest of all, without reference to special benefits conferred." George's proposal for the public appropriation of ground rent is not in this sense a proposal for a tax at all, but rather for a public or quasi-public price to be placed upon the special benefit received from society by the holders of land titles. As a concession to popular usage, he sometimes referred to it as a tax, but he never considered the term descriptively accurate.

Nor did George regard the "singleness" aspect of his proposal as its essential feature. He rejected all true taxes as arbitrary and unjust because not proportionate to benefits. But his system does not exclude the theoretical possibility of public charges for special benefits other than the privilege of monopolizing the "opportunities which nature offers impartially to all," although he viewed such other benefits as comparatively trivial. Neither does his system exclude the theoretical possibility of a uniform charge for socially conferred benefits available to everyone; he merely held that those who enjoy such common benefits should not be made to pay for them until those who enjoy special benefits at the expense of all have paid for these in full. He anticipated that if this were done, the revenue would be sufficient to render a more general levy superfluous, and there is evidence that in this he may have been correct. Insofar as monopolistic privilege begets social evils which give rise to public expense, his reform, to the extent that it would extirpate such privilege, would concurrently reduce the need for public revenue. Furthermore, the potential ground rent fund is much larger than is commonly supposed.

Seligman gets his critique under way with a sweeping indictment of the doctrine of natural rights, which he claims has been proven incontrovertibly by modern jurisprudence and political philosophy to be mistaken. This claim he grounds upon the fact that belief in the doctrine has been demonstrated to be a phenomenon lacking in historical catholicity—a fact which actually, of course, in no way invalidates the doctrine itself. However, this non sequitur need not occupy us further, for Seligman con-

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5 Ibid., p. 432.
6 Cf. Progress and Poverty, p. 20.
7 Cf. Ibid., op. cit., pp. 122, 191-93.
8 Seligman, op. cit., p. 69.
tends that even if the natural rights doctrine could be accepted, the labor theory of ownership would still be false.

Individual labor, he asserts, has never by itself produced anything in civilized society. The very conditions which make production (save at the most primitive and rudimentary level) possible are the result of the contributions of the community. Civilized production depends upon a general fund of knowledge which has been built up through generations of technological experimentation. It depends upon opportunities for transportation, marketing, and the like, which the individual finds already at hand, a legacy from others. It depends upon the materials and tools he uses, made available by countless men and women the specific identity of most of whom he cannot but be ignorant:

Take, for example, the workman fashioning a chair. The wood has not been produced by him; it is the gift of nature. The tools that he uses are the results of the contributions of others; the house in which he works, the clothes he wears, the food he eats (all of which are necessary in civilized society to the making of a chair), are the result of the contributions of the community. His safety from robbery and pillage—nay, his very existence—is dependent on the ceaseless cooperation of the society about him. How can it be said, in the face of all this, that his own individual labor wholly creates anything? . . . No one has a right to say: This belongs absolutely and completely to me, because I alone have produced it. Society, from this point of view, holds a mortgage on everything that is produced.9

All private ownership is justified, therefore, only because and to the extent that it has social utility. Since all property is pre-eminently a social product, what a man owes society should be measured by how much he owns, and the amount of his tax governed by his ability to pay.

The above reasoning really consists of three separate lines of argument, for it is clear that three distinct factors have gone into the making of the chair apart from the labor of the chairmaker. First, there is the wood. Although, as Cord points out, only as uncut virgin timber is wood, strictly speaking, a gift of nature,10 we may, for purposes of discussion, regard it as representing the element of natural opportunity, i.e., land, upon which all production ultimately rests. Second, there is the mental and physical labor of other individual producers, signified by the chairmaker's tools, his clothes, his food, etc. Finally, there is his safety from robbery and pillage, guaranteed by government. Only this last may be considered the contribution of society as an organized body not separable into its component members.

9 Ibid., p. 71.
10 Cord, op. cit., p. 83.
Perhaps Henry George's most distinctive offering to social thought is his insistence that the cost of the governmental factor should not be drawn from wages and interest, but rather met from the natural factor as an inevitable accompaniment of the full exercise of the protective function. By appropriating ground rent, government would not only acquire the means (he believed sufficient means) for its own support, but also perform one of its most vital duties—that of protecting citizens from pillage in the form of the monopolistic private expropriation of natural opportunity. From that which no private labor has produced, he taught, arises a social fund which, if taken by society as an organized totality, should prove adequate to sustain its operations as an organized totality. Why should the chairmaker pay tribute to a private landowner for his wood, George would have asked, when the landowner did nothing to produce it? Instead, let him make his payment to society, for the wood is a natural opportunity in limited supply, and the market value of timberland delineates the degree to which that opportunity is not available to all who wish to use it. His payment (made via the landowner, who could retain a small percentage of it as a collection fee) would reimburse the other members of society for the opportunity of which his acquisition has dispossessed them, and at the same time support the protection which society, through government, affords to him and them alike.\footnote{The foregoing analysis accepts, for the sake of argument, the adequacy of Seligman's illustration, if not the logic of his inferences. It should, however, be remembered that the incidence of payment finally rests upon the chair's ultimate purchaser, regardless of whether the payment goes to the landowner or to society. One sometimes hears it said that the landowner cannot shift a public charge ("tax") on land to the consumer. This is a loose way of phrasing a proposition with which almost all economists, including Seligman, agree—that such a charge cannot increase ground rent and raise commodity prices. \textit{(Cf. Seligman, The Shifting and Incidence of Taxation, 4th ed., 1921, pp. 281–87.)} In fact, it tends to decrease prices by "squeezing the speculative water" out of land values, for if a high enough percentage of ground rent is taken by the taxing authority, the incentive to hold land off the market disappears, along with the inflated prices due to artificial scarcity.} George would concur with Seligman that society holds a mortgage on the chair for the wood of which it was fashioned and the protection under which it was produced, but he would say that the expense of the latter can and should be met by the payment for the former.

This leaves the middle factor which went into the making of the chair—the mental and physical labor of other producers, drawn upon by the chairmaker in his use of tools, housing, clothes, food, and the like. As Cord incisively remarks:

\ldots the chairmaker satisfies his obligations to the society that provided him with these things by paying for them. Should he pay twice, once
by reimbursing the original owners of these goods and services and then again by turning over a share . . . of his own chairmaking income? It would seem that one payment to society and its members should be morally and practically sufficient.  

But, it may be argued, the middle factor includes not merely those goods and services for which the chairmaker pays, but also a host of others for which he does not—the general cultural and technological advantages, both tangible and intangible, built up through the centuries by the efforts of individuals upon whose shoulders we all stand. Yet if not paid for by the chairmaker, these advantages have been paid for nonetheless, in whatever returns for which they were initially exchanged. If, because of monopoly or other forms of exploitation, these returns were in many instances more meager than they would have been under a free market, the chairmaker is not placed under obligation for this reason. The modern tourist who thrills to the sight of the pyramids does not incur a debt because they happened to be built by slaves! Although perhaps an unintended beneficiary of exploitation, he was not its agent; its victims are, in any case, beyond the possibility of recompense, and it is to no one's detriment that he avails himself of the advantages for which he does not pay.

In contending that this middle factor constitutes a justification for a mortgage by society upon production, Seligman repeats a fallacy which goes back to John Stuart Mill and was first advanced in this country by Edward Bellamy, namely, that the division of labor imposes upon the individual who is its beneficiary an obligation which goes beyond that which he satisfies in the ordinary process of exchange.

The division of labor assumes by definition the reciprocal satisfaction of its participants, for by division, rational division is inferred, and without reciprocity division must in the last analysis rest upon arbitrary elements. Society does not exist apart from concrete individuals, and its function (however much perverted in historic practice) is to permit them the reciprocal satisfaction of their wants. If, therefore, they are not free to exchange goods and services on a voluntary basis, it is evident that social institutions obtain which thwart the function of society itself. If they are free to make such voluntary exchanges, they will do so only in terms of mutual satisfaction as determined by supply and demand. When

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12 Cord, op. cit., p. 83.
once, under such conditions, an exchange has been consummated, its participants have no further claim to a return. Although others, not parties to the exchange, may benefit incidentally from it, no liability is thereby incurred by them, for (1) they did not enter into the transaction, and (2) those who did enter into it have already been fully recompensed according to the stipulations upon which the exchange was based.

This is not to say, of course, that the exchange may not anticipate the involvement of additional parties, but the obligation of such parties does not arise unless and until they agree to meet whatever terms are set by the makers of the original transaction. In other words, while an initial transaction may lead to new ones, it does not of itself impose a liability upon anyone not a party to it. The division of labor as manifested in the marketplace affords no justification for a social mortgage on production, for, if unimpeded, the operation of the market automatically provides for the reciprocal satisfaction of its participants. This is brought out in more detail by Max Hirsch, who also effectively refutes another line of argument against the labor theory of ownership—that ability and the value of services are social products, and that their reward therefore rightfully belongs to society as a whole.  

Since the labor theory of ownership does not purport to justify the private ownership of nature, Seligman’s point about the wood used by the chairmaker is irrelevant. Since the labor theory can only be enforced by the protective activities of government, it is in no way invalidated by the recognition that the cost of those activities represents a lien on ownership. By refusing protection, an individual may theoretically divest himself of such a lien, but in thus placing himself outside of the protective system he makes himself presumptively its enemy, forfeiting his claim to the right of ownership by declining to assume its correlative responsibilities. However, since the costs of protection can be met, at least in part, by a charge for the privilege of treating as private property something not produced by labor, society’s lien on ownership to pay these costs does not become morally operative until the full rent-yield of nature, as determined by the market, has been collected and applied against them.

Cord adverts to Seligman’s repetition of the time-worn notion that “since land is bought with the fruits of human labor, the labor theory [of ownership] can justify the private ownership of land.” Like the proposition just dealt with, that the labor theory can justify the ownership of producible goods (e.g., chairs) by society, this is an attempt to dis-

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credit the labor theory as self-contradictory. Cord answers it succinctly: "Exchange or purchase cannot make an unjust title just; after all, one might buy stolen property or a slave, and yet a rightful title would not be acquired by such a purchase."  

Cord believes that "although George’s labor theory [of ownership] merits respect, recent developments regarding taxation force some shortrun modification of it."  Yet his suggestions in this connection do not really touch the labor theory of ownership as such, but merely George’s application of it as embodied in the proposal for a levy falling exclusively upon ground rent. We have already shown that George’s theory does not actually exclude the possibility of other benefit charges should the rent fund prove inadequate to meet such obviously legitimate expenses as the cost of public safety. Since such things as police protection and national defense are benefits vital to the common weal, and upon which every member of society may lay equal claim, it is patently right that each should bear an equal share of any cost which may exceed that which can be financed from the rent fund. The same principle obtains from a perhaps more local standpoint with respect to the expenditures necessary for safety requirements like fire and flood control and the control of communicable disease.

However, Cord goes further, suggesting that still other expenditures are needed to maintain "that essential condition of true democracy, equality of opportunity."  In this category he mentions expenditures for free medical care for the indigent, and compulsory unemployment insurance, and remarks that "many people argue" that the list should include expenditures for farm price supports, public housing, tariff protection, and post office deficit—additions which he is evidently not himself inclined to accept.

Even if all these things were demonstrably requisite to equality of opportunity, their legitimacy might well be questioned on the ground that whereas the function of insuring equal freedom of opportunity falls properly within the role of government, the function of insuring equality of opportunity does not. If government seriously undertakes to insure equality of opportunity, it must go beyond preventing predation and the unequal advantages which arise therefrom and seek to redress inequality resulting from differences in native endowment. It can only do this by conferring special privileges on some at the expense of others, and this is precisely what it does when it uses tax money for the purposes just

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17 Ibid. Cf. also a vigorous and extended discussion in Hirsch, op. cit., Chapter VII.
19 Ibid.
listed. But, as Cord comments, from a moral standpoint “the taxing of one individual to benefit another cannot be condoned.”

Coercive monopolization of opportunity could be largely obviated by the public appropriation of ground rent. For, as stated in the eloquent prose of Winston Churchill, the land monopoly, while not the only monopoly, “is by far the greatest of monopolies—it is a perpetual monopoly, and it is the mother of all other forms of monopoly.” It seems probable that if freedom of access to natural opportunity were thus guaranteed, the number of deserving indigent would be so reduced that their needs could be cared for without recourse to compulsory support.

In his impressive study, *The Philosophy of Henry George*, George Raymond Geiger essayed to reconcile the labor theory of ownership with the social utility theory. In like vein, Cord asserts that in the last analysis “there may be no real difference between the social utility and labor theories of property, except in the matter of emphasis,” because “what is best for society is that each man should receive the fruits of his labor.” While advocates of the utility theory might accept this notion of what is best for society as a very general long-run proposition, most would allow for so many exceptions in specific cases as to render it useless as a regulating principle. Furthermore, to say that in the long-run justice promotes utility is not the same as saying that utility ought to be the standard for justice. In fact, the two theories cannot be reconciled, for each asserts a different norm as ultimate. Yet to accept utility as ultimate is to follow a will-o’-the-wisp, for it always presupposes something else in terms of which it is defined.

Allied with Seligman’s attack upon the labor theory of ownership is his attack upon the concept of ground rent as a uniquely social product. Whereas according to the former, inasmuch as nothing is the product of unaided individual labor, social utility and not labor constitutes the proper criterion for ownership; according to the latter, inasmuch as nothing can be long produced for sale without social demand, society holds a mortgage upon all commodities. Thus George’s secondary argument—that because ground rent is socially produced it constitutes a distinctively appropriate basis for public revenue—comes under fire.

Cord concedes, albeit reluctantly, this point, insisting that the justi-

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23 *Cord*, op. cit., p. 83.
fication for the public collection of ground rent can be made to rest squarely upon George's primary argument and is weakened by appeal to the secondary one, which he dismisses as untenable despite its facile and seductive nature. However, as Geiger remarks in his defense of the secondary argument, economic value is determined, not by demand alone, but by the relationship between supply and demand:

the press of population and all the amenities of civilized society express themselves in the demand for land—as they do in the demand for everything else—but whereas the demand for land must raise land rent and land value, the value of consumer goods and capital goods, will rise or fall, not merely as demand varies, but also in proportion to the elasticity of a reproducible supply in meeting that demand. This he illustrates by pointing out that in large centers of population, where rent is invariably high, the value of labor products, all other things being equal, is comparatively low. Land is supremely characterized by its inelasticity of reproducible supply.

Given an unmonopolized supply of any economic element, in the production of which there is some measure of competition, increased demand and higher societal organization may not result in increased value. But since there is essentially a monopoly of land and since it is fundamentally irreproducible, increasing demand and social organization must raise land values.

It must be noted that the reasoning just quoted hypothesizes an unmonopolized supply of consumer and capital goods. However, Seligman maintains that "if there is one thing that distinguishes the modern age, it is the development of economic monopolies of all kinds," and that the "'unearned increment' of land is only one instance of a far larger class." For purposes of example, he draws a parallel between increase in land values and the rising earnings of a newspaper because of the growth of a community. Jackson H. Ralston comments that in order for such a parallel to be valid, "the newspaper plant must be closed, the machinery left in place and all labor employed in it discharged. In that case, how much unearned increment will the newspaper building and the machinery, now idle, put into the pocket of the owner because they are surrounded by an industrial community?"

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26 Ibid. Cf. also p. 127.
27 Geiger, op. cit., p. 108. Cf. also p. 96. Geiger's defense is somewhat blurred by his characterization of capital as a social product (p. 108). But the burden of his discussion is to demonstrate that this is only partially the case, whereas it is wholly true of land values. When he speaks of the supply of capital as being socially determined, he does not mean that it is primarily a social product, but that it expands and contracts in response to social demand.
28 Ibid., p. 108.
29 Seligman, Essays in Taxation, pp. 81, 83.
30 Jackson H. Ralston, What's Wrong With Taxation? (San Diego: Ingram Institute, 1912), p. 56.
The pertinence of Seligman's thrust as to the ubiquity of monopoly in consumer and capital goods is dispelled by a consideration of the seminal and pervasive character which land monopoly reveals to anyone who looks beneath the surface. The recognition of this character, dramatically proclaimed with Churchill's castigation of land monopoly as "the mother of monopoly," finds somewhat more sedate expression in the following statement by John R. Commons, an economist contemporaneous with Seligman: "If the size of fortunes is taken into account, it will be found that perhaps 95% of the total values represented by these millionaire fortunes is due to those investments classed as land values and natural monopolies, and to competitive industries aided by such monopolies." 31 Geiger concludes that:

no matter how complete may be the capitalistic control of machinery and all the actual instruments of production, any significant separation of that "capital" from mineral, timber, fuel, railroad "land," would be fatal to monopoly. . . . It seems that, Antaeus-like, capital derives its strength from land, and it would appear that the breaking of land monopoly— which must follow once the value of land has been socialized—might operate upon the very foundations of capitalistic monopoly. 32

More formidable than Seligman's objection to the secondary argument is one raised by Charles B. Spahr, another economist of the period. Even if land values are socially created, he insists, not all members of society are equally responsible for creating them. Some, in fact, may actually decrease them. Why, therefore, should ground rent be equally enjoyed, as George proposed, by all members of a given community? 33 Yet this objection, too, loses force when subjected to the following considerations:

To begin with, the extent to which an individual increases or decreases the value of a site has little or no relationship to whether or not he owns the site. Hence, however valid it may be otherwise, Spahr's objection constitutes no argument that rent should necessarily be appropriated by the owner. Secondly, everyone adds an equal unit to site-value merely by adding a population unit to the community where a site is located, even though, over and above this, individuals may differ in their effect on rent. Whereas the former effect is measurable, the latter is not and should therefore accrue to the community at large. Fourthly, land values are in part due to the presence of good government and valuable public services. In a democratic community, these things must be attributed


32 Geiger, op. cit., p. 260 (footnote).

to the general voting public, rather than to specific individual citizens. Finally, even where an individual contributes nothing to (or even decreases) land values, he still has a legitimate claim to be indemnified to the extent that private land ownership has denied him equal freedom of opportunity in the use of nature. Thus even if George's secondary argument were rendered nugatory by Spahr's objection, his primary argument would still vindicate the public appropriation of ground rent.

To return to Seligman—In the last analysis his attack upon the concept of land value as a uniquely social product represents an approach more forensic than substantive. For behind his effort to extend the notion of social increment as a source of public revenue beyond the limits defined by George lies an organismic theory of the State, which ultimately justifies the public confiscation of any kind of income, regardless of its source, his view of equity demanding only that the confiscation be proportioned to ability to pay. He sees the State as a unity which transcends the sum of its component members:

[the individual] does not choose the State, but is born into it; it is interwoven with the very fibres of his being, nay, in the last resort, he gives to it his very life. . . . We pay taxes not because we get benefits from the State, but because it is as much our duty to support the State as to support ourselves or our family; because, in short, the State is an integral part of us.34

The government, indeed, must do something for the community in return for the support which it receives. But this reciprocal obligation on the part of the government is not toward the individual as such, but toward the individual as a part of the greater whole. The special benefit is swallowed up in the common benefit. . . . In its ideal form, at all events, the State must be likened not to a joint-stock company, but to a family. The citizens are not stockholders but brethren, animated, if they are patriots, by the same ideals and by the same fine sense of cooperation in the common interest.35

This romantic theory, doubtless carried back by Seligman from his student sojourn in Germany, is grounded upon an interpretation of human nature which comports ill with the hardheaded empiricism affected by him as fitting to a social scientist. Seligman takes repeated pot shots at George's "utopianism,"36 yet what is more utopian than the notion that such exalted motives can be safely made the foundation of a political order? In actual application its effect has ever been to undergird the hegemony of authoritarians who declare with Robespierre, "Our will is the general will."

34 Seligman, Essays in Taxation, p. 73.
35 Ibid., p. 337.
36 Ibid., pp. 69, 97. Also his concluding remarks at the Saratoga convention of the American Social Science Association, reported in The Journal of Social Science (Boston and New York), Vol. 27, p. 98.
As an authority both restraining and restrained, the State is necessary and legitimate. As an absolute and omniscient power, from the standpoint of psychological realism it is both an ethical travesty and a practical absurdity. That personal fulfillment comes only as the individual loses himself in a preoccupation with some goal beyond himself is a truth which has been recognized by moral and mental theorists for centuries. But this truth cannot without unconsolable risk be made the foundation of a political philosophy. Considering the difficulty of finding men who can be trusted not to abuse the relatively modest function of insuring the reciprocal freedom of citizens to choose and follow their own separate goals, it is fatuous to suppose that any leader, elite group, or majority of men is so virtuous and wise as to qualify for the task of choosing goals to which all shall be compelled to give allegiance. Reciprocal freedom is the only goal the acceptance of which can safely be made operatively incumbent upon every citizen. Although George, in words attributed to Helen Keller, displayed "a splendid faith in the essential nobility of human nature,"37 his system does not depend upon that faith. Instead of relying upon the beneficent use of unchecked power, it envisages its limitation and dispersion through decentralization and the extirpation of monopoly. As one examines George's thought against the horrors which manifest themselves increasingly as the final outcome of the logic of the total State, one cannot but conclude that he should be reckoned the realist, and Seligman, the dreamer.

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37 This quotation has been cited for years in the annual brochure of the Henry George School of Social Science; its source is a letter written around 1930 by Miss Keller to the Robert Schalkenbach Foundation.

**Accounting for World Trade**

A comprehensive, world-wide, double-entry record of international trade and payments is the aim of a study, "Measuring Transactions Between World Areas," prepared by Herbert B. Woolley of the research staff of the National Bureau of Economic Research with the financial support of the Ford Foundation. (Columbia University Press in New York is the distributor).

The new study seeks to show that it is possible, with some effort, to fill the gaps in our present knowledge of international transactions. Measures of interarea merchandise trade have long been available. But for the first time this study has related to merchandise movements a