

The Atomic Age— What It Means

By Dr. Eugene Friedberg

Never in the annals of mankind has a new era made such a dramatic entrance as the "atomic age." The atomic bombing of Japan seemed to reveal to us in a stunning flash a source of energy that strained the imagination of scientists themselves.

Atomic energy, once a phrase used only by the learned, is now a topic of discussion for the man in the street who sees in it the source of happiness and prosperity for all mankind. The Golden Age is at hand, and soon this new form of energy will enable all men to live sumptuously by working only a few hours a week.

It is difficult not to be affected by the enthusiasm and flights of imagination which follow in the wake of every great discovery or invention, but a little thought based on a knowledge of fundamental economics soon stopped my pleasant jaunt into wishful thinking and set me on the path to reality again.

Atomic energy differs from water power, steam power and electrical power only in degree, and not in kind. It is true that this degree is tremendous, but it still remains only a form of energy or power. Basically, it would simply increase our ability to produce. In no way does it change the fundamental method of all production—labor acting on land, usually with the aid of capital, to produce wealth.

Henry George claimed that improvements in production increase the demand for land, and history is replete with examples that bear him out. The cotton gin, for instance, enormously increased the demand for cotton land; electrical energy enabled us to utilize nature's gifts to an extent that would never have been possible without

it. As far as I know, there never has been an improvement in production which did not increase the demand for land as a whole. This flatly contradicts the statement recently made by a prominent economist to the effect that the use of atomic energy would reduce the demand for land to one-fortieth of that now being used.

According to economic precedents, therefore, there will be an increasing demand for land as atomic energy becomes practicable. Land being a fixed quantity, this will result in a general raising of rent. At first, rent will absorb only the actual increase in production, but as the demand for land increases speculation will arise, and the land owner will attempt to capitalize on future increases before they have actually materialized.

It follows then that the proportion of return allotted to wages must go down, since, according to the law of wages (the corollary of the law of rent) as rent goes up wages go down.

Henry George sums it up very succinctly in this paragraph from "Progress and Poverty" (page 282):

"The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living, is that, with increase in productive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages."

By substituting "atomic energy" for "increase of productive power" (since they are equivalent), the real effect of this new discovery becomes apparent. Thus, under the present economic system, with the rent going to a very few individuals, atomic energy, in the long run, cannot raise man's condition above the subsistence level.

This dark conclusion, however,

does not mean that atomic energy should be returned whence it came, for it can and should be a boon to mankind.

As a student of economics I know that this new discovery can be utilized properly for the welfare of the entire people. If the rent of land which absorbs and reflects the fruits of progress is restored to the rightful owner, the community, we truly can expect the "atomic age" to be the Golden Age.

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