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REPORT ON THE COMMERCE AND INDUSTRY
DIVISION OF THE HENRY GEORGE SCHOOL
OF SOCIAL SCIENCE, CHICAGO, ILLINOIS

By Mrs Jessie Matteson

The city of Chicago, Illinois, U.S.A. where the Commerce and Industry Division of the Henry George School of Social Science is being developed, began in the year 1833, when the Pottawatomie Indians sold 20,000,000 acres near Chicago to the United States at the rate of \$.06 an acre. Situated at the southern end of Lake Michigan, one of the five Great Lakes, it early became a trading center, being in the path of the shortest portage point from the Lake to the Du Page River, one of the Mississippi's tributaries. With the growth of population all over the "new" continent, Chicago became the great railroad and air center of the country. Centered as well in the vast and fertile agricultural Midwest, the packing, milling and allied industries began to concentrate there until Chicago grew to be a greatly diversified industrial city. It became, for instance, the headquarters of the mail order and goods chains. Sears Roebuck and Montgomery Ward alone employ 25,000 people between them. The Merchandise Mart, a 23 storey building occupying a solid block, is headquarters for wholesalers, and a city-full of people, about 20,000, come there to work each day. The Midwest Stock Exchange, the famous grain pit at the Board of Trade, and the great banking facilities serve industry throughout the country, far beyond the confines of Chicago's 212 square miles. United States Census figures for 1947 show that there were 12,284

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manufacturing establishments in the Chicago area, employing a total of 945,325 people. The population is 3,606,436.

The second largest city in the United States, it was the second city to establish a Henry George School of Social Science. The Chicago School was founded in 1934 by the late Henry L.T. Tideman, whose brother Mr Selim N. Tideman, a native of Denmark's neighbor, Sweden, has come from Chicago for this 8th International Conference. Mr Tideman is one of those who has encouraged and helped the School since its foundation.

The Commerce and Industry Division of the School in Chicago, launched in 1946, grew out of the School's twelve years of experience in conducting round-table classes in fundamental economics in more than 100 community centers throughout the Chicago area. Among the 5,000 who had made the study in these "community classes", held in public libraries, churches, Y.M.C.As, etc. were executives of industry who began to ask with increasing insistence:

Why isn't a course like this - which teaches the economic and ethical basis of free private enterprise - taught throughout industry, with the encouragement of all who realise the need for reversing the trend toward collectivism?

That the men in industry, who know from experience the function of the market-place and the need for keeping it free, might welcome such a study once its purpose and method were understood, did appear logical. The School in Chicago, accordingly, began to take steps to find out whether or not such an attitude were, in fact, general among leaders of industry.

This was in 1946. It was a full three years before enough evidence was gathered to permit the

organization of the first industry class at the Benjamin Electric Manufacturing Company, where the executive vice-president invited ten of his top executives to make the study with him. At the conclusion of this ten-week study a second group made the study in the winter of 1950 -- this time, a group of twelve men who were a cross section of the company's 600 employees. Concurrently, six other companies initiated the study; employees of a seventh company formed their own class in a nearby community center; and executives of eight additional companies formed a special class to explore the possibilities of this educational program in their companies. Capron R. Gulbransen, president of one of these companies stated afterwards:

"In my own plant, round-table discussions take in everybody -- from top officers to men who can scarcely read. The results have been remarkable. Everyone has a feeling that he is taking part in the destiny of his company, his country, and the world".

And, wrote Mr Steele:

"....if classes in fundamental economics could generally be accepted and participated in by the employees of American industry in general, then we would have little fear for the creeping socialism that concerns us all so much at the moment....I feel very strongly that industry should be expected to support such a program financially....It is my feeling....that once industry is acquainted with the soundness of the economic teaching then there should be little trouble in obtaining the financial support necessary to carry the program out".

This initial testing, made at the end of the first three years of the School's "market survey", tended to confirm its findings that there was an increasing recognition among the men of industry that slogans

and advertisements about freedom were not enough - that there would have to be a very basic re-examination of fundamental economic principles by many, many people. The men who became associated with the School's work through its Commerce and Industry program in those first three years had a confidence in it that they wished to see expressed in a real development of the program - a fulfillment of its purpose:

To bring about a widespread understanding of economic principles which will enable each individual to see how his needs will be more certainly met and his highest desires fulfilled by measures which free production rather than by measures which restrict and control.

As a part of this next phase of "product development", the second year of the actual class program saw a complete reconstruction of the course material. A pilot group of executives in the Clearing Industrial District in southwest Chicago, where 125 companies have their headquarters, as well as later groups, helped in this development, testing the materials, week by week, as they came from the research staff of the School. The third year of the program, this current year, has been devoted toward developing methods of training and servicing conference leaders, perfecting the course for effective general use throughout industry and building the financial support. Industry leaders lend invaluable counsel on general policy, as well as on detailed procedure for expansion.

The study groups meet for ten two-hour or twenty one-hour sessions around a conference table. The objectives of the course, session by session, are as follows:

1. To define and evaluate the problems facing industry, the individual and the community.
2. To identify the primary economic factors, name them, and define the terms.

3. To determine the extent of man's power to produce and the inter-relation of the factors of production.
4. To determine how the product is divided among those having a claim on production.
5. To discover how increased productive power affects the distribution of wealth.
6. To discover the basic causes of industrial depression.
7. To discover the ethical basis of ownership.
8. To work out the means for applying economic and ethical principles to the solution of current problems.
9. To consider the probable results of applying the basic principles to the solution of current problems.
10. To discover the necessary conditions for the advance of civilization.

Discussion leadership of each group is shared by two industry men with aptitude for and experience in conference leadership and who have a thorough acquaintance with the background of the material covered. Their function is not to bring unanimity of opinion on any point or points, but rather to stimulate individual thought throughout the whole area of the course, to focus attention on what might be considered important phases of the course, and to suggest the alternatives of thought in the principal areas, leaving each members of the group free to reach his own conclusions. The individual's exploration of the areas of the course is aided by a series of laboratory experiments which are so designed that a group of 15 may work them out together, testing each step as they progress. The Conference leaders are thus mainly responsible for keeping the inquiry moving toward the objective of each session and for seeing that each individual is enabled to contribute the most to the others and to gain from the discussion the most benefit to his own thinking, securing the benefits of "combination of effort while leaving full freedom to the individual".

Advanced courses in The Theory of the Free Market, Principles of International Trade and Social Problems, as well as training in conference leadership, are offered at the conclusion of the basic study.

Membership in the study groups is through invitation from whatever individual in a company, or industrial district, has made arrangements with the School to sponsor a class. Since membership in a group is limited to 15, the sponsor is careful to invite those individuals with the greatest interest and with the richest experience to bring to the thinking of all. A foreman has been the sponsor of group after group from his company; a union president, with the encouragement of higher union officials issued invitations to representatives of management and labor for the first two study groups in his company; the manager of one company invited the manager or president of other companies to join him in his study; the personnel director of one of these companies now regularly organizes groups each term.

Acquaintance with the School's study program has often come through its monthly Commerce and Industry luncheons, attended by executives and addressed by outstanding leaders of industry. There is no attempt here to teach fundamental economics; study is reserved for the conference table. The luncheon programs do, however, permit industry leaders to meet other executives who are close to the School program and to gain confidence in its objectives.

The Commerce and Industry Division is now concentrating its efforts on three next steps:

To begin building a staff of field directors to select, train, assign, and service the volunteer conference leaders in the various industrial districts.

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To set up machinery for further extension and correlation of research and course development.

To expand support to finance these objectives.

The development of this program thus far has been achieved with leadership and support not only in Chicago, but from the School's International Headquarters in New York and from interested individuals all over the world. The Board of Trustees of the Chicago School is composed of:

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