



No doubt we need better statistics on land values and figures that are more realistic than assessed values which are universally low. However I don't think it is very realistic to base our calculations on total land value because all land not in demand is irrelevant. Only that land which is in the path of progress affects the estimates of gain or loss among the three factors of production.

Furthermore it is a mistake to use present-day figures to assess the accuracy of George's predictions. He was dealing with a free economy—natural law; and freedom and natural law are absent as far as wages are concerned. There are also many other monopolies and special privileges, subsidies and government interference to distort the picture.

Does anyone think that wages would be as high as they are without the monopoly of labor?

But isn't one monopoly as bad as another — except as it helps rectify things? It doesn't get us any closer to the goal of a just and free society to keep adding monopolies, subsidies and special privileges.

I sincerely believe that most of today's problems would disappear and both government and enterprise would be simpler and more efficient, if we could attain freedom and justice:

JAMES HAIR
Birmingham, Michigan

Free trade has always been the standard of labor, but recently the AFL-CIO broke their tradition. It called the free trade concept "outdated" and applicable to the world of the 1950's and 1960's. Because governments abroad subsidize exports and hold down im-

ports, they say U.S. industry is suffering hardships.

What they are saying is that consumers are being allowed to buy products too cheaply, pianos for example, and the U.S. piano makers say they are not efficient enough to compete, as the 2 percent of imports has risen in 10 years to 11 percent, up to 30,000 pianos in 1969. The Administration has halted the scheduled decline in tariffs. There are only two ways industry can go—the economic way of becoming competitively efficient or the political way of asking for a handout.

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Unlike Oscar Johannsen (HGN Feb. 1970) I think mathematical methods have a perfectly natural role in economic analysis, but like him I am deeply disappointed in the results which have been forthcoming. However, the fact that the growing use of mathematics has not brought about a dramatic agreement among economic theorists or striking advances in macroeconomics, is not the fault of mathematics any more than the glaring shortcomings in our society are the fault of the profit motive.

Mathematics is a powerful tool for analysis, and the profit motive is a powerful force in any social system. We can neither eliminate nor ignore either, yet when improperly used, neither is of much help.

Systems analysis, which is based on the use of mathematical models, is the proper technique for the analysis of any complex system, such as our economy, but it is not much good without an underlying basis of valid principles. We engineers are fortunate to have a solid foundation of physical and chemical principles beneath us, developed, I might add, largely by mathematical methods. Economists are not so lucky.

For example, orthodox economists

either do not perceive the difference between reproducible and nonreproducible factors of production, or, if they do, do not appreciate the importance of this difference.

Another source of weakness has been identified by Robert A. Frosch, Assistant Secretary of the Navy (IEEE Spectrum, Sept. 1969, pp. 24-28) in commenting on the rising costs of defense projects: "The fundamental difficulty is that we have all become so entranced with the (systems engineering) technique that we think entirely in terms of procedure, systems, configuration management, milestone charts, PERT

diagrams, reliability systems, maintainability groups, and the other minor paper tools." In other words, many "systems analysts" employ the forms, but not the substance. Administrators are often incapable of distinguishing the charlatans from the qualified. This is an old story.

I believe that systems analysts will ultimately discover the essence of Henry George's philosophy, but at the moment I am not sure whether they will be Americans or Russians, or perhaps Israelis.

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Calgary Beckons

Georgists are looking forward eagerly to western hospitality and the scenic beauties of Canada when they meet in Alberta for the annual conference. The dates are July 7-12, and the Calgary stampede on July 13 draws thousands of visitors, therefore rooms must be reserved at once at the Paliser Hotel, 133 Ninth Avenue, S. W., Calgary 2, Canada. Rates are \$14, \$16.50 and \$18.50, single; and \$18, \$20.50 and \$22.50, double. Please include a one-day deposit. Your host will be the School of Economic Science, 535 — 13th Avenue, S. W., Calgary 2, Alberta, Jim Ramsay, director. He is planning an excellent program.