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Title: Letter to Leonard Blakey from Unknown Author

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BOWDOIN



COLLEGE

DEPARTMENT OF
ECONOMICS AND SOCIOLOGY

Brunswick, Maine,
Nov. 26, 1911.

My dear Blakey:

Your letter came late ~~saturday~~ ^{Friday} evening and I have been so rushed ever since that I have not had time to answer your inquiry. As it happens, anyhow, I am now in a better position to give you some information than I would have been a few minutes ago. President Hyde came up to me after church this morning and mentioned the man whom Professor Carver has recommended in response to his inquiry - a Mr. Davis who has been doing graduate work in Harvard for several years and whom you may have met there. He is a brother of our Professor of Argumentation down here now and was here visiting once or twice last year and in New York this summer while I was there, so that I have seen something of him and was in the main favorably impressed. He wishes, however, to have work in Economics alone and so do I, and thus we may not be able to dovetail. I took the occasion of this conversation in the sacred presence to suggest your name and the President was interested enough to ask several things about you and will, I think, investigate further on the strength of the information I was able to give him. You will understand that he takes almost all of these matters of appointment upon himself and while he will not be apt to select anyone who would be unacceptable to me he is also not likely to bank too strongly upon my suggestions. He has in mind some rather definite qualifications for a Sociology man all of which some of us might not think of such vital importance, especially that he should be a man who can go out and do some

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public work along these lines, make addresses and in general bring the College into closer connection with its potential constituency. He feels himself just now in need of advertisers. I could tell him that the chances of a man's being able to take up with some public work would be materially improved if he was not ground down with overwork in his regular college duties. I have had one or two chances which I have been unable to accept because there simply was not the time with nine lectures a week, nor the energy either, to do anything of the kind. Perhaps the President is realizing this somewhat now and hence this new move for my relief. I am likewise to drop one of my courses for next half so that I can have more time to put on my dissertation which has not progressed any at all since I came back in the fall. I realize that I shall be much handicapped in climbing any higher by the fact that I have not yet published anything and have not my degree.

I was right glad to hear from you again and to learn that you were not entirely put out with us down here for not being more communicative. I believe you said something once about all of us going to some shore place for a while during the summer, but I believe we were too much occupied at the time to give a polite answer. I have heard one of our senior boys from Camden say that he met you down there along with Professor Metcalfe, I believe Hart - you may remember him. I am glad to hear, too, that you are in good health and that the work is going nicely.

Our friend Chen sent me a copy of his dissertation the past week

week - two volumes constituting some eight hundred pages. There was no letter accompanying it but I presume he is already or soon will be on his way back to his beloved but now sadly troubled land. He does me the honor of mentioning my name along with others in the preface and taken altogether I am not certain but that I deserve it. I believe his book is quite creditable and interesting although I have not read much of it as yet.

I am much pleased with Professor Taussig's new work which the Macmillans have sent to me although I see little probability of our putting it in here as a text unless we decide to lengthen out our course in the Principles to a full year when the new man comes. The course is not very satisfactory to me now because in addition to the large number in the class - some ninety men - we have to hop from one subject to another so rapidly in order to cover the ground that I find myself continually a day or two behind the reading assignments. All my classes, in fact are larger than last year in spite of the expectation expressed by the Dean and the President that they would fall off because last years large numbers were due to a certain unpopularity that had surrounded the subject during the incumbency of a former instructor named Edwards. But the cry is, as Porter would say, "Still they Come!" I am especially glad to have the older men who were with me last year come back again for more this fall but, as I have intimated above it is a big strain. If anything is calculated to make a man a leather-lunged, rubber-tongued wind-jammer I think teaching under such conditions does. Either he has to bluff a good deal or undergo nervous prostration. If his ideals as to how the subject ought to be taught keep growing, as mine seem to have a pernicious way of doing, he finds it practically as hard work the second year as he did the first, although I must confess a bit more satisfactory.

But enough of this self-adulation mixed with self-pity! You say something about Hobson's criticisms upon the hallowed productivity theory of "Saint John". I have read some of The Industrial System but probably not enough nor that little carefully enough to be competent to pass judgment as to its value. I confess that I fail to see the vital importance of his contention. It is admitted that under modern conditions it is impossible to distinguish exactly the amount of value in the product attributable to a particular laborer. It must all be lumped off on the basis of an average but what is the basis of the average? It seems to me that Clark sufficiently guards himself when he makes his unit of labor the group and not the individual laborer; he practically assumes that the group is so arranged as to get the greatest returns, all circumstances or factors considered. The law of diminishing returns will sooner or later supersede that of increasing returns and this much before the last available laborer who is competing for a job is hired. The margin that Clark and the other productivity theorists are talking about is not the last workman engaged while the latter law applies but is located at the limit of the supply of workingmen - the last available man. At any particular time there is a certain number of laborers determined principally by the average standard of living that has prevailed among that class during the past generation. Wages will not cease to fall until all of these find employment in one capacity or another because they all have to live and will underbid one another unless they find a place. Certainly all laborers of equal skill within the same grade in a particular labor market (which implies free competition of employers for workmen and of workmen for jobs) will receive the same wage no matter whether they be hired at the tenth hour or at six o'clock, that is, whether they are to be regard-

as marginal men or not. One market, one price is the rule. And certainly the employer cannot afford to pay the last man added to his force, who is thus exchangeable with any other man already hired, more than that man adds to the value of the output. I think Hobson makes the mistake of looking too closely at the conditions that may prevail in a particular business at a particular stage instead of at the whole labor market. The average productivity hence the average wage is as Clark contends, fixed under competitive conditions by the man who stands at the limit of the supply. This for wages in general, and the wages of any grade of labor in so far as it is separate from labor in general and is not subject to the competitive bids of all laborers in the field, by the limit of the supply of that grade. The only way in which the laborers can get more under the present regime is evidently to cut down the numbers of laborers, restrict immigration and the birth-rate. # I guess I have not told you anything that you did not know before but I cannot feel that Hobson has shaken the essential truth of the productivity theory as a theory. Practice is a different matter. I wish we might talk it over together especially after I have read a little more of H.

Are you expecting to attend the meeting in Washington? I am planning to go down and should be pleased to be advised as to your plans also. You ought to go. I want to have you treat us better down this way too this year and not fail to get here for a visit. If the President is interested you may have a chance to come soon; if you are called for you should let me know beforehand and let me act as your friend and guide. There is much more I would like to say but I must close.

Your friend,

24 College St.,
Brunswick, Me.

