

*Student's Notebook*

**FUNDAMENTAL ECONOMICS  
AND SOCIAL PHILOSOPHY**

**Henry George School**

**of Social Science**

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*Whoever*, LAYING ASIDE PREJUDICE AND SELF-INTEREST, WILL HONESTLY AND CAREFULLY MAKE UP HIS OWN MIND AS TO THE CAUSES AND THE CURE OF THE SOCIAL EVILS THAT ARE SO APPARENT, DOES, IN THAT, THE MOST IMPORTANT THING IN HIS POWER TOWARD THEIR REMOVAL....SOCIAL REFORM IS NOT TO BE SECURED BY NOISE AND SHOUTING; BY COMPLAINTS AND DENUNCIATION; BY THE FORMATION OF PARTIES, OR THE MAKING OF REVOLUTIONS; BUT BY THE AWAKENING OF THOUGHT AND THE PROGRESS OF IDEAS. UNTIL THERE BE CORRECT THOUGHT, THERE CANNOT BE RIGHT ACTION; AND WHEN THERE IS CORRECT THOUGHT RIGHT ACTION WILL FOLLOW.

*Henry George* ☆ ☆ ☆



## COMMENT ON HENRY GEORGE DEFINITIONS

By George A. Briggs

### PURPOSE

Many years ago, when I first read Progress and Poverty, I had a difficult experience. At that time I was working for ten dollars per week. My employer who was about my own age, gave his wife six hundred dollars per month solely for household expenses. I was willing to concede that he was abler than I, but did not believe the difference in our incomes truly measured his superior ability. Someone told me I might find the causes of economic maladjustments explained in Henry George's book. So I tackled it.

I had had no previous experience with closely-knit precise thought except in mathematics, where the symbols used, unlike common words, can have only one meaning for each. Then, too, my mind was full of preconceptions as to the meanings of words. For these reasons, while I followed George's eloquence with delight and shared the enthusiasm of his great heart, I could not go with him in many of his arguments, nor to his conclusions. It took me a long time to free myself from habit-bound compartmentalized convictions with reference to the processes and instrumentalities of wealth production.

Later, much later, it came to my more-or-less feeble intelligence that, scattered throughout the book there was a series of definitions which covered the field and which when taken separately or together were as definite and as compelling as the axioms of Euclid. Painstakingly I gathered these together and memorized them. "Then," as captions of silent pictures used to say, "came the dawn."

It has occurred to me that others may find themselves in my former predicament. So I present, herewith, nine major definitions, together with what they are not, as well as what they are. It is my hope that they may be as useful to others, who for the first time are studying Henry George's Progress and Poverty, as they were to me.

\* \* \* \* \*

**WEALTH** - All material things produced by labor for the satisfaction of human desires, having exchange value.

Since George treats of the production and distribution of wealth, our first task then is to inquire what he means by wealth. He defines it as being material objects produced by human labor for the satisfaction of human desires and having exchange value. Nothing which lacks any of these four characteristics, according to George, constitutes wealth.

Even if permitted by law, a slave would not be wealth because, although a slave has exchange value, he lacks some of the other characteristics. In like manner stocks, bonds and mortgages are not wealth. They are exchangeable certificates of ownership in something which is supposed to have exchange value. Nor is money to be considered as wealth except for the material of which it is composed. The government imprint which constitutes it as money makes it a measure of value and a medium of exchange. As such it is indispensable to modern industry. But it is a fiat of government and obviously a fiat of government is not a material object.

When we speak of land we know it is a material object which will satisfy human desires and has exchange value. But we cannot consider it wealth because it is not produced by human labor. Improvements on land, however, have all four characteristics and therefore under our definition are wealth.

We must also eliminate human skills and ability from the category of wealth. They satisfy human desires and as in the case of celebrated surgeons or inventors, their services have exchange value, but their services are not material objects. The tools they use, however, have all four characteristics and therefore are wealth. So are houses, factories, industrial building of all kinds, tools, machinery, stocks of merchandise and innumerable other things which are material objects, produced by human labor for the satisfaction of human desires and having exchange value.

There can be no excuse for misunderstanding George when he uses the term of wealth. We may do so because of conscious or unconscious preconceptions. But these are obstacles, not excuses.



**PRODUCTION** - All activities necessary to create and to bring wealth from the place of its origin to the ultimate consumer.

Production of wealth is commonly thought of as something that happens in a factory or on a farm. The factory makes, say, automobiles, or the farmer grows wheat. Since automobiles and wheat are wealth, it is easier than not to consider the production complete when the automobile is ready for use or the wheat is harvested. George uses the term in a wider sense. Since wealth is produced to satisfy human desires, it cannot be said to be completely produced until it is used by the ultimate consumer to satisfy his desires.

Take coffee as an example. It may be grown on the highlands of Costa Rica or Panama or in Brazil. But usually it must go far and through many hands before it is prepared and handed to you by a maid, if you are lucky enough to have one, at your table. It has been carried towards you by steamships and railroads. It has been handled by importers, wholesalers, jobbers and retail merchants. All these have been factors in bringing it to the place where, and the time when, it will satisfy your desire for it. It has been wealth all the time, of course, but it has not been produced for you until then.

So far as the steamship company is concerned, for example, coffee has been produced when delivered to the importer to satisfy his desires. But he would have no such desires if it merely piled up in his warehouses and had no further use. The cycle of production does not end until the ultimate consumer receives the product. Any and all agencies and instrumentalities in this cycle are factors in production.

Here again it is not difficult to understand George, unless your preconceptions cause misunderstanding, and without understanding you cannot make a valid judgement either for or against George's proposals.

**DISTRIBUTION** - The division of wealth among the factors necessary for its production. These include only Land, Labor, and Capital, and they receive, respectively, Rent, Wages and Interest.

LAND	}	WEALTH	{	RENT
LABOR				WAGES
CAPITAL				INTEREST

When we speak of distributing wealth, most commonly we think of carriers and dealers who handle the product but do not make it. George, as we have seen, considers all these as factors in production. He uses the term distribution in an entirely different sense. To him it means division of the proceeds among the factors of production.

In the case of coffee, the human agencies such as the farmer, the steamship company, the importer, the wholesaler, the jobber and the retailer, are all paid for their share in producing the coffee for use. Then, in their business, each of them uses other wealth. The steamship company must have ships. The importer must have warehouses and other equipment. And so on down the line. Then the farmer must have land on which to grow the coffee. Thus we have three factors among which to divide the proceeds. These are the land, the human element, and the wealth used by the latter to promote production.

According to George then, there are three factors in production and only three. These he terms Land, Labor and Capital.

**LAND** - All the material universe outside of man and his products.

To the term land, George gives a broader definition than is commonly thought of. Always, however, he uses the word in precisely the way he defines it. This is true of his use of all terms. It is this custom which gives such clarity and force to George's writings, once the reader has tentatively suspended his own loose conceptions of meaning and is willing for the time, for the sake of understanding, to accept George's use.

Land, to him, is our entire physical environment, except man and his products. Thus a virgin forest is land. A cultivated forest, on the other hand, is wealth. Unmined ore is land, while mined ore is wealth. Wild animals and birds, while free, are land. Domestic animals are wealth. In the one case we have features of environment as yet free from the manipulations of man. In the other we have features of environment which have been planted, grown, excavated, killed, captured or bred by man for use. One is land, the other is wealth. In like manner water in a



stream is land, but when used for irrigation or when a dam obstructs its flow and diverts the water to turn a wheel or a turbine, it becomes wealth. For then it is a material object, produced by man at the place of its use, for the satisfaction of human desires and having exchange value.

In a treatise on wealth production, this wider use of the term land not only is justified but necessary. This is true because from every feature of our physical environment human labor creates wealth. From the ocean it produces salt, iodine, agar and fish; from the air, oxygen, nitrogen and occasionally an edible wild bird; from a virgin forest, lumber. The entire field would not be covered if George limited the meaning of land to dry earth.

**LABOR - All human energy engaged in the production of wealth.**

Here again George's definition is more inclusive than that of common usage. To him labor includes all activities of man for the production of wealth. Thus in addition to skilled and unskilled workers, the executive at his desk, the salesman out after business, the engineer and the technologist, all are laborers, and their activities in producing wealth are labor. All exert human energies, whether mental or muscular, in the productive cycle whereby wealth is gradually moved from the place of its origin to satisfy desires of the ultimate consumer. The term labor thus acquires dignity as well as precision in its use.

**CAPITAL - Wealth used for the production of more wealth.**

In modern industry tools and equipment are essential to the production of wealth. These include machinery, power equipment, transportation facilities, warehouses, factories and other industrial buildings, stocks of merchandise and numerous other things. As we have seen, each and all of these are wealth. But now because of their special uses, George feels they deserve a separate category. So he defines capital as being wealth used for the production of more wealth. It cannot be confused with land because land, within the framework of our definitions, is not wealth. It cannot be confused with skills and other human capacities, whether congenital or cultivated, because these when used to produce wealth are labor.

Thus there is no confusion of thought as to the three factors in production. The line of cleavage between them is clear and unmistakable. Any given factor is at once seen to be either land, labor or capital. In the division of wealth among the three factors, a name must be given to the part received by each. These George designates as rent, wages and interest.

**RENT - The share of wealth that is paid for the use of Land.**

George defines rent as the share of production received for the use of land. Amounts paid for the use of buildings, machinery, etc., do not constitute rent because they are not paid for the use of land. Nothing paid for the use of anything except land may be called rent. And nothing paid for the use of land may be called anything except rent. Here again the definition is precise and affords no place for looseness or confusion of thought. Here again the only obstacles to understanding are habitual preconceptions which have no place in logical exposition.

**WAGES - The share of wealth that constitutes the reward of Labor.**

Wages, according to George, constitute labor's share of wealth. It is the reward of the active factor for its part in producing wealth. Thus, all who are actively engaged in production, physically or mentally, receive wages. In common usage, wages are considered only as the compensation paid to an employee, usually a manual worker. But George's definition of wages is just as inclusive as his definition of labor. It includes all returns to the human factor in the production of wealth. Thus the entrepreneur who is engaged in the production of wealth is receiving wages just as truly as his employees. This is beclouded by the fact that the entrepreneur often receives interest and rent as well. If we keep in mind our basic definitions we can mentally separate the three returns, even though received by the same person. There is no place in fundamental economics for the spurious term "profits".

**INTEREST - The share of wealth that is paid for the use of Capital.**

The term interest, according to George, refers exclusively to the share of production that goes to capital, which in turn, as we have seen, consists of wealth used for the production of more wealth. Current usage lends itself to confusion. Sometimes returns for the use of capital are referred to as rent, as for example



the use of a building. With George, of course, such returns are called interest. Then again, since money is not wealth, it cannot be called capital, and returns for its use cannot be called interest. By its use, however, one kind of wealth may be speedily exchanged for another. Then, too, anything which has exchange value, as for example land, which is not wealth, may be exchanged for money, which in turn may be used to secure anything else which has exchange value. It is a draft on all kinds of things which have exchange value and measures the difference in value between them. Nothing is implied here to denounce payment for the use of money. All that is meant, as stated above, is that since money is not wealth, any payment for its use cannot logically be called interest. \*

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#### SUMMARY

If the reader has been patient enough to accompany me thus far, and to familiarize himself with the nine primary definitions of Henry George, he will note that there are no gaps between these definitions and no overlapping. Each has a precise, never-varying meaning. At every step in the production and distribution of wealth, the informed reader will have no doubt as to the category to which every factor belongs. He will have a key to understanding, a standpoint from which to view the multiplicity of phenomena involved in production and distribution.

With this clarity of vision, freed from habitual preconceptions and misconceptions, he may, I hope, with zeal and enthusiasm, follow George in his Progress and Poverty to understand how and why in the midst of untold riches, either poverty or near poverty is almost the universal lot of man. He will see how this deplorable condition may be remedied and how achievement of economic security may become the rule, and not the rare exception it now is.

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# Bookmark

## ECONOMIC AXIOMS

### I

"MEN SEEK TO GRATIFY THEIR DESIRES WITH THE LEAST EXERTION." (p.12)

### II

MAN'S DESIRES ARE UNLIMITED.  
(pp.134-137, 245-249, 466-468, 506-507)

## ECONOMIC DEFINITIONS

"It makes little difference what name we give to things, if when we use the name we always keep in view the same things and no others." (p.37)

### *Political Economy*

The science of the nature, production, and distribution of wealth. (p.559)

### *Wealth*

Material products of human exertion, having exchange value. (pp.39-42, 49)

### *Land*

The material universe outside of man and his products. (p.38)

### *Labor*

Human exertion directed toward the production of wealth. (pp.32, 39)

### *Capital*

Wealth used in the production of more wealth, or which is in the course of exchange. (pp.42-48)

### **Wealth is distributed as**

#### *Rent*

For the use of land. (pp.32-33, 162)

#### *Wages*

For labor exerted. (pp.32-33, 162)

#### *Interest*

For the use of capital. (pp.32-33, 162, 189-194)

### **Margin of Cultivation = Margin of Production**

The best free land, i.e., the most productive land obtainable without the payment of rent (which will be the least productive land in use). (pp.205, 207, 212)

## ECONOMIC LAWS

**LAW OF RENT:** "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use." (p.168)

**LAW OF WAGES:** "Wages depend upon the margin of production, or upon the produce which labor can obtain at the highest point of natural productiveness open to it without the payment of rent." (p.213)

**LAW OF INTEREST:** "Interest is determined by the margin of cultivation," falling as the margin falls, and rising as it rises. (pp.203, 219)

*page numbers refer to*

"PROGRESS AND POVERTY" by HENRY GEORGE

*fiftieth anniversary edition*



★ ★ ★ *If you* trace out, in the way I have tried to outline, the laws of the production and exchange of wealth, you will see the causes of social weakness and disease in enactments which selfishness has imposed on ignorance, and in maladjustments entirely within our own control ☆ And you will see the remedies. Not in wild dreams of red destruction nor weak projects for pulling men in leading-strings to a brainless abstraction called the state, but in simple measures sanctioned by justice. You will see in light the great remedy, in freedom the great solvent. You will see that the true law of social life is the law of love, the law of liberty, the law of each for all and all for each; that the golden rule of morals is also the golden rule of the science of wealth; that the highest expressions of religious truth include the widest generalizations of political economy ☆ If you have ever felt that the only thing apparent in the ordering of the world was a blind and merciless fate careless of man's aspirations and heedless of his sufferings, these thoughts will pass from you as you see how much of all that is bad and all that is perplexing in our social conditions grows simply from our ignorance of law — as you come to realize how much better and happier men might make the life of man ☆ ☆ ☆ ☆ ☆

*from*

"THE STUDY OF POLITICAL ECONOMY"

*By Henry George*

*in a lecture*

*delivered to the students of the*

*University of California, March 9, 1877*



To the Student:

The purpose of this questionnaire is to bring into focus the subject matter of the study you are about to make--not to arrive immediately at authoritative answers.

KEEP THIS QUESTIONNAIRE. This is not an examination. In the first column fill in your best present answers to all questions before talking them over with others. (Most of the questions can be answered YES or NO).

At the conclusion of the course, fill in your answers to the same questions in the second (shaded) column. You will find it interesting to check your answers in the light of your new understanding.

	Answers at 1st Lesson	Answers at 10th Lesson
1. Is there any limit to the goods and services that people want?		
2. Has this nation ever suffered from general over-production?		
3. Would you consider the following as WEALTH:	---	---
a. A wild duck flying in the air?		
b. Roast duck on your dining room table?		
c. A fish swimming in the ocean?		
d. Fish in the market?		
e. Untapped oil in the ground?		
f. Gasoline in your car?		
g. A house?		
h. The lot on which the house stands?		
i. Money?		
j. Slaves before emancipation?		
4. Would you consider these occupations as LABOR:	---	---
a. Coal miner?		
b. Business executive?		
c. Traveling salesman for wholesale grocery?		
d. Independent storekeeper?		
e. Being a slave before emancipation?		
5. Are the following CAPITAL:	---	---
a. An automobile used for pleasure?		
b. An automobile used for business?		
c. Linen towels on the shelves of a store?		
d. The same towels in a linen closet at home?		
e. Land used in business?		
f. The master's slaves before emancipation?		
g. Money?		
6. Do you think our basic economic problem is a money problem?		
7. Would you consider a man's SALARY as his WAGES?		
8. Is one of the causes of low wages that there are too many people in our country?		
a. Are immigration restrictions necessary to prevent surplus population?		
b. Are wars necessary to reduce population?		
c. Are tariff restrictions necessary to prevent our country from being flooded with surplus products?		
9. Would economy in government, with reduced taxes, increase wages?		



	Answers at 1st Lesson	Answers at 10th Lesson
10. Do you think INTEREST unjustified?		
a. Do you think it wrong to make a profit?		
b. Would you consider the storekeeper's profit as his wages, at least in part?		
11. Do middlemen (retailers) produce wealth?		
12. Do you consider the use of machinery as a cause of unemployment?		
a. If so, do you consider it as a basic, first cause?		
b. Should the use of machinery be restricted on public projects?		
c. Would you restrict the use of machinery in private industry?		
13. Should the government place a top limit on a man's earnings?		
14. Put a check (✓) in the column after the statement you consider right:	— — — —	— — — —
1. Taxes should be levied according to ability to pay.		
2. Taxes should be levied according to benefits received.		
15. Do you think we have to change human nature before we can correct our economic problems?		
16. Put check (✓) in column after correct statement:	— — — —	— — — —
1. Employers pay labor out of their capital.		
2. Employers pay labor out of what labor produces.		
17. Which of the following is ECONOMIC RENT: (1) House rent. (2) Land rent. (3) Rent of both buildings and land...Write number in column....		
18. Is a bond wealth?		
a. Does an increase in the national debt increase the wealth of the nation?		
19. If you traced the production of a lead pencil from its source, where would you begin?		
20. Put check (✓) in column after statement you consider correct:	— — — —	— — — —
1. Mass unemployment is due to personal failings of the unemployed—laziness, incompetence, lack of skill, bad habits, poor health, etc.		
2. Mass unemployment is due to economic maladjustments over which the individual has only limited control as a member of society.		

Class discussion of these questions will bring out to what extent members of your class are agreed as to the meaning of the terms. Defining of the terms will be the subject of the first part of the next lesson.



# BIG CRIME WAVE AFTER WAR, SAYS H. S. FIRESTONE

Washington, April 10.—(UP)—Harvey S. Firestone Jr., rubber manufacturer, today prophesied "crime wave of major proportions" when soldiers, schooled in the use of lethal weapons and accustomed to living intimately with death, return to civilian life.

# More Wars Inevitable, 55% Think

Special to The Chicago Sun.—Denver, July 31.—Postwar planners advocating any form of international organization must face an American public opinion which appears crystallized in the belief that wars are inevitable. Two surveys by the National Opinion Research Center, University of Chicago, show that 55 percent of the public believe that wars are inevitable.

# WARNS BIG WAR BOND DEBT MAY FUEL INFLATION

Report Criticizes Redemption Ease.

BY THOMAS FURLONG. By incurring a floating debt of unprecedented size that is subject to payment on demand for possible perpetuation of the war, the National Bureau of Economic Research warns that the government is preparing the way for postwar inflation.

# SETS DECADE'S HOME NEEDS AT MILLION YEARLY

One million homes annually will be needed by American families during the next 10 years, Fritz B. Burns last night told members of the Chicago Real Estate board and the Metropolitan Chicago Builders' association at a dinner at the board dining room, 111 Madison street. Burns is president of the National Association of Builders and vice president of the Los Angeles Realty board.

# 12,000,000 May Be Jobless After War, Nation Warned

Washington, Aug. 19.—(UP)—The postwar division of the Bureau of Labor Statistics, estimating that 12,000,000 persons may be unemployed six months after the war ends, warned tonight that the problem must be tackled now, lest the nation be led to the brink of "another and even more terrible war."

# Postwar Jobs in Illinois

The bureau estimates that in instance, the end of hostilities will bring home 523,600 members of the armed forces and demobilize 290,200 war workers. That means a total of 913,800 men looking for jobs, or roughly one out of every three who had jobs in Illinois before the war.

The significant point is that is based on the assumptions shall maintain a sizable arm the war, and second, that the industrial production for civilian needs and war workers in Illinois already operating at a relatively high level of employment on the basis of current demands and purchasing power.

# Will U. S. Pay Off Its Huge Internal Debt After the War?

By George Ericson Editor of Financial Pages of The Christian Science Monitor

A sober financial picture will confront the American people compares with an income of about \$82,000,000,000 in the boom 1929 year, \$92,000,000,000 in 1941 and only \$120,000,000,000 in 1942. It is difficult to visualize a national income of \$150,000,000,000.

# To what extent are these problems economic?

ECONOMICS IS THE SCIENCE WHICH TREATS OF THE NATURE OF WEALTH AND OF THE NATURAL LAWS GOVERNING ITS PRODUCTION AND DISTRIBUTION, i.e., HOW MEN IN CIVILIZATION MAKE A LIVING.—Cf. Webster's Collegiate Dictionary.

# FOOD SHORTAGE FACING WORLD, PARLEY WARNED

'Special Adjustments' in Production Advised.

Hot Springs, Va., May 30 (AP)—The allied nations food conference was informed today that a great world shortage of foodstuffs is ahead, confronting the nations.

# Morgenthau Sees 25 Years Of Big Taxes

Washington, Feb. 2.—The American people can look toward 25 to 30 years of heavy taxation to pay off the war debt, estimated by President Roosevelt to reach \$210,000,000,000 by July 1, 1944.

# SLUM CLEARANCE TERMED WAY TO EASE WAR SLUMP

Palmer Urges Planning for End of Conflict.

When world peace comes, whether the American people think for the territorial; to rebuild the areas, of there (priati) opodina Bell dressed prodlikeley fan Ho extra hotel, 'be sav Palmer 'Fears of defer 'if lies du 'essu tail ab 'nd construc 'ated 290 'for the task 'provide 'As of peace, fer will bring prosperita it arouy loyed w do not a "The wha to ef and largid materialid ness by p gram. W program D to the idle n bc Palmerw nin, approache 'ing. 1. A sug 'T whether clas who do t und 2. Regis 'pre 'apartme'at 'Wh'onev sans

# WOMEN TO QUIT JOBS AFTER WAR PLANNERS TOLD

Springfield, Ill., March 9.—(AP)—Illinois postwar planning institute speakers agreed yesterday large numbers of women now employed in industry will voluntarily leave their jobs after the war.

# Post-war jobs major problem in England, too

By BRUCE GRANT (Times London Bureau) London, Sept. 18 (Special).—Almost every argument used in America and in the U. S. Congress about manpower and the problem of employing demobilized soldiers, sailors, WAVES and WACS, finds its echo here in and out of Parliament.

The English also are asking, "What is going to happen about jobs when the boys and girls come marching home?" In England, one of the main problems industry will have to face after the war is the possibility of thousands of men who now hold demobilization certificates, but, both in public and in private business, few permanent positions in executive appointments carry a condition of hostilities.

# MAY CAUSE HARD FEELINGS

The government, naturally, is watching but no specific plans have yet been drawn to deal with a situation which may cause hard feelings.

# Cost of Living, Rationing Chief U.S. Worries

BY GEORGE GALLUP. Director, American Institute of Public Opinion. Princeton, N.J., Sept. 3.—If you, the reader, could sit down and talk to your congressman before he returns to Washington next week, what would you ask him to do? On a survey of 1,000 men, the most important subject of their concern would be the cost of living.

about making food cheaper? ... we prevent another depression after the war?" There are also asked about how it will be paid off, and how it will remain as it is now, and how it will go in the future.

me and how it can be done." The report was written by Dr. Charles R. Whittlesey of the University of Pennsylvania.

# POSTWAR WORLD NEEDS TWICE AS MUCH FOOD TO LIFT THE UNIVERSAL BLIGHT OF MALNUTRITION

by JOSEPH J. THORNDIKE JR.

Of the two billion people in the world, well over two-thirds are badly fed. This stark fact in the 20th Century presents a staggering challenge to the architects of a new world order. For there can hardly be a stable world until most of the people who live in it have the first material necessity of a happy life. That necessity is food.

# What Should Be Done With Federal Plants?

BY ROBERT P. VANDERPOEL Financial Editor. Jesse H. Jones talked pretty much sense in discussing disposition of government-owned plants at the close of the war. He said: 1. These plants should not be sacrificed or junked and large they can be used for manufacturing things.



TWO CENTURIES OF INVENTIONS AND DISCOVERIES\*

1752. Lightning rod	1884. Fountain pen
1793. Cotton gin	1885. Linotype
1793. Steamboat	1887. Split phase indctn. motor
1832. Telegraph	1888. Photo film
1833. Reaper	1892. Automobile
1839. Rubber vulcanized	1893. Motion picture machine (Edison)
1842. Anaesthetics	1902. Radio
1846. Sewing machine	1903. Airplane
1857. Steel	1912. Vapor lamp
1860. Bacteria	1913. Gasoline, cracked
1861. Motion picture projector (Sellers)	1916. X-Ray tube
1868. Typewriter	1926. Color photo special
1876. Telephone	1930. Nylon
1877. Talking machine	1930. Synthetic rubber
1878. Incandescent lamp	1934. Television

\*World Almanac, 1943, pp.816-817

**Why, in spite of increase  
in productive power, do  
wages tend to a minimum  
which will give but a bare  
living?**

FAMILY INCOMES IN THE UNITED STATES, 1935-1936\*

18,358,949 families (46.5%)	received under \$1000 (average \$600)	annually
16,878,960 " (42.8%)	" \$1000-\$2500 ( " \$1500)	"
3,293,943 " ( 8.3%)	" \$2500-\$5000 ( " \$3500)	"
595,908 " ( 1.5%)	" \$5000-\$10,000 ( " \$6850)	"
152,682 " ( .4%)	" \$10,000-\$15,000 ( " \$11,450)	"
107,745 " ( .3%)	" \$15,000-\$25,000 ( " \$19,150)	"
64,923 " ( .2%)	\$25,000-\$100,000 ( " \$40,980)	"
4,144 " ( .-%)	\$100,000-\$250,000 ( " \$130,000)	"
916 " ( .-%)	\$250,000-\$500,000 ( " \$288,750)	"
240 " ( .-%)	\$500,000-\$1,000,000 ( " \$561,680)	"
87 " ( .-%)	over \$1,000,000 ( \$1,807,320)	"

\*Based on study of incomes, July, 1935, through June, 1936, when national income was estimated at 60 billion dollars. Covers all consumers except 2,000,000 persons in institutions. A "family" is two or more persons sharing common income, under one roof, and single individuals living alone. "Income" includes

total net money income received during year by all members of the family, plus value of certain items such as occupancy of an owned home and food produced by rural families for own use.--Statistical Abstracts of the United States, Department of Commerce, Washington, D.C., 1940, p.316.



# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### Lesson II

Make for thyself a definition or description of the thing which is presented to thee. . . For nothing is so productive of elevation of mind as to be able to examine methodically and truly every object which is presented to thee in life, and always to look at things so as to see at the same time what kind of universe this is.

Marcus Aurelius

### Assignment

Book I, Chaps. II and I. Pp. 17-49. Also P. 162, middle paragraph.

### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What is wealth? (41-42)
2. Are bonds, mortgages, promissory notes or bank bills wealth? (40)
3. Is land wealth? (38)
4. Are knowledge, executive ability or skill of an artisan, wealth? (39)
5. Are slaves wealth? (40)
6. What are the factors in the production of wealth? (38)
7. What is land? (38)
8. What is labor? (39)
9. What is capital? (42)
10. Is all wealth capital? (42)
11. When is production completed? (48)
12. Are transportation and merchandising (wholesale or retail) part of production? (48)
13. What is wealth still in the course of exchange? (48)
14. Give some examples of wealth that is, and wealth that is not, capital. (46-47)
15. How is wealth distributed? (32-33 and 162)
16. What is rent? (32-33 and 162)
17. What are wages? (32-33 and 162)
18. What is interest? (32-33 and 162)



Having now defined our terms it would be logical to study the laws governing the production and distribution of wealth so as to ascertain if possible the cause of the maldistribution which is expressed in poverty. But before we do this let us examine two theories which at one time were commonly accepted by economists as explaining the cause of poverty and which even today, while rejected by many economists, are frequently resorted to by men in public life, by newspaper writers, by business men and others.


19. What is the problem of poverty? (17)
20. What is the "wages fund theory" advanced to explain this problem? (17)
21. If the wages fund theory were correct, how would wages and interest act in relation to each other? (19)
22. Does it seem to be a fact that wages and interest rise and fall together or conversely? (19)
23. Do we find wages higher in old countries where capital is abundant or in new countries where capital is scarce? (19)
24. What is the relation between wages and interest in "good times" and in "hard times"? (21)
25. Judging from this relationship is there any real conflict between laborers and capitalists as a whole? (21-22)
26. What is the assumption upon which the wages fund theory is based? (22)
27. Must capital be accumulated before labor is employed? (26)
28. Is our complex, modern economic society different from earlier, more primitive society in kind, or only in degree? (27)
29. When a man produces one form of wealth does he not in effect produce all the forms of wealth for which he wishes to exchange his product? (28)
30. Do these considerations support the theory that wages are paid from the advances of capital? (28-30)



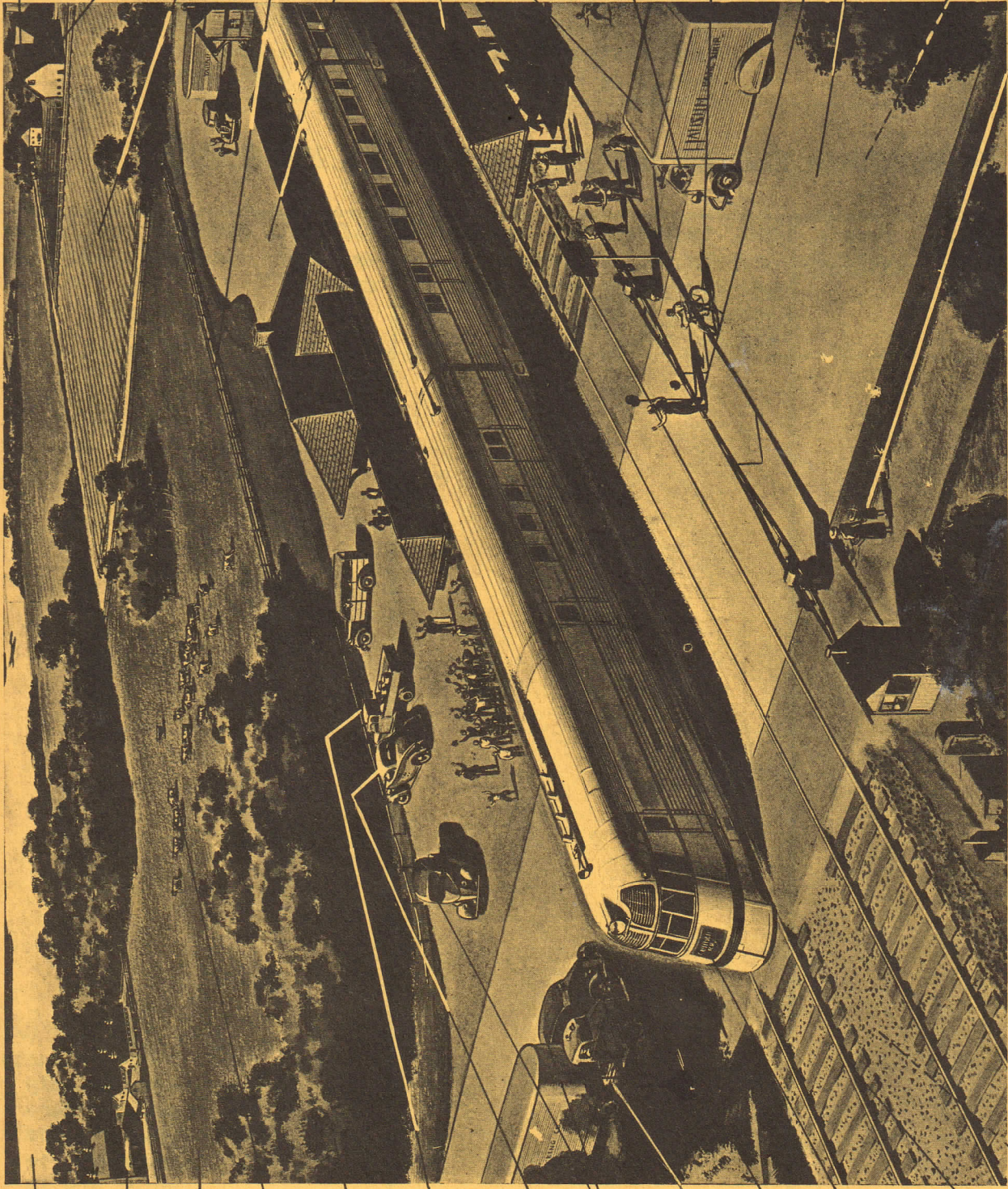
house	air	orchard
lot	Lake Michigan	ore deposit
lumber-jack	commercial air pilot	food at store
student's typewriter	toolmaker's skill	food at home
Walt Disney's typewriter	family sewing machine	lumber executive
carpenter	virgin forest	Pan American Clipper
Niagara Falls	loom in textile mill	auto salesman
your hat	designing a bridge	Empire State Building

TO THE STUDENT: WRITE THE ABOVE WORDS IN THE PROPER COLUMNS BELOW

NATURAL materials, forces, and opportunities <u>supplied freely by Nature</u>	MAN, including his exertions, attributes, and powers <u>directed toward the production of material things</u> having exchange value	MATERIAL PRODUCTS of human exertion having exchange value
		<p style="text-align: right;"> <input type="checkbox"/> Check (✓)                      those products used to help produce more products for exchange, or which are in process of exchange                 </p>
In fundamental economics these are called LAND	In fundamental economics these are called LABOR	In fundamental economics these are called WEALTH --including those checked (✓) which are called CAPITAL

After class discussion of these definitions, try them out on things you see in the picture 





- river
- barns
- pasture
- cattle
- trees
- delivery truck
- salesman's car
- pleasure cars
- truck
- crossing gates
- train
- rails, ties, and road bed
- railroad right of way

- house
- barn
- crop
- fence
- station drive
- shelter
- truck
- driver
- bicycle
- watchman
- concrete road
- public right of way
- groceries in market basket

TO THE STUDENT: In each label write the proper economic term--wealth, land, labor, or capital--applying to the subject in the picture

WEALTH: Material products of human exertion having exchange value  
 LAND: Natural materials, forces, and opportunities supplied freely by Nature  
 LABOR: Human exertion directed toward the production of wealth  
 CAPITAL: Wealth used in the production of more wealth, or in the course of exchange



# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### Lesson III

I propose in this inquiry to take nothing for granted, but to bring even accepted theories to the test of first principles, and should they not stand the test, freshly to interrogate facts in the endeavor to discover their law. - Henry George.

### Assignment

Book I, Chaps. III-V, Pp. 50-88. Book II. Pp. 91-150.

If possible read all of this assignment. The following selections are essential.

50, top--to--60, top  
67, top-----70, bottom  
75, middle---81, middle  
86, bottom---92, middle  
96, bottom--100, middle  
106, middle--107, bottom  
113, top-----115, top  
124, bottom--125, bottom  
127, top-----139, bottom  
143, top-----144, middle  
149, middle--150, bottom

(Total: 54 pages)

### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. When the laborer employs himself do his wages come from capital? (50)
2. When laborers are paid in kind do wages come from capital? (53)
3. When laborers are paid by a percentage of what they produce where do wages come from? (53)
4. When wages are paid in kind, does the laborer receive his wages before or after production? (55)
5. When wages are paid in money is the result any different from paying wages in kind? (55-56)
6. Does labor precede the payment of wages? (57-59)
7. If the worker is engaged in an enterprise the product of which cannot be put into exchange immediately, are his wages advanced from capital? (64-69)
8. Do we live on current or past production? (75-76)
9. Why do men labor? (77)
10. Why does the laborer produce things that other people desire? (77)



11. Does labor support itself, or is it maintained by advances of capital? (59-60 and 77-79)
12. Does capital supply the materials which labor works up into wealth? (81)
13. Does capital limit industry, i.e., labor's opportunity to produce? (81)
14. Can capital determine the form or productiveness of industry? (81)
15. What is the function of capital? (80)
16. What produces capital? (87-88)
17. Does lack of capital explain the persistence of poverty? (87-88)
18. What is the population theory advanced to explain the persistence of poverty? (91)
19. How does this doctrine support the wages fund theory? (97)
20. According to this doctrine what provision has nature made to reduce the press of population against subsistence? (99)
21. To whom does this doctrine give solace and comfort? (98)
22. To what can we attribute the poverty of supposedly over-populated countries, other than density of population? (106)
23. In point of fact have the populations of these countries outrun the means of subsistence? (113)
24. In these supposedly over-populated countries does all the wealth produced go to the support of the producers? (113-128)
25. What is the limit of subsistence for animal and vegetable life? (130)
26. Is man's means of subsistence limited in the same way? (130)
27. Does the tendency of vegetable and animal life to press against the limits of space prove the same tendency in human life? (134-137)
28. What is the tendency in the size of families when the struggle for existence is less intense? (138-139)
29. Where do we find the greatest evidences of wealth, in densely populated or sparsely populated communities? (143)
30. Does increasing population decrease or increase the power to produce wealth? (150)
31. Does the increase of population therefore, explain why poverty persists amidst advancing wealth? (150)



# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Fundamental Economics and Social Philosophy

## Lesson IV

Beneath things, man seeks the law; he would know how the globe was forged and the stars were hung, and trace to their origins the springs of life. - Henry George.

### Assignment

Book III. Pg. 153-224.

#### TO THE STUDENT

If pressed for time, OMIT  
Pages 176-188 for the  
present and read later.

### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What are the three factors in the production of wealth? Define. (156)
2. What are the three avenues of the distribution of wealth? Define. (162)
3. What does the word "profits" mean? (156)
4. Why is this term misleading in the study of political economy? (159)

Since land is the first factor in production, our inquiry into the laws governing the distribution of wealth will begin with an examination of the law of rent.

5. If the user of the land is also the owner, is there rent? (165)
6. Rent may be expressed in the selling price of land. How is the selling price computed? (166)
7. Does the rent of land arise from its productiveness? (166)
8. When does rent arise? (166)
9. Can any piece of land have a value if there is other land of equal productiveness that can be had without cost? (166)
10. If we learn what share of production goes for the use of land, how will our inquiry be advanced? (167)
11. What determines rent? (168)



12. What is the corollary of the law of rent? (171)
13. Are all incomes that are called interest properly so called? (189-194)
14. Does capital employ labor, or does labor employ capital? (195)
15. Is capital a fixed quantity? (195)
16. Why may capital be considered as but a form of labor? (198)
17. When interest is high as compared to wages, into what form of production will labor tend to be directed? (200)
18. When interest is relatively high what will be the tendency in the use of the existing stock of wealth? (200)
19. What maintains a balance between wages and interest? (198-200)
20. What is the law of interest? (203)
21. What is the fundamental principle of human action? (204)
22. If a man can employ himself what will be the lowest wages for which he will work for others? (205)
23. Where land is free and labor is unassisted by capital, what part of the produce will go to labor as wages? (206 and 213)
24. Where land is free and labor is assisted by capital, what part of the produce will go to labor as wages? (213)
25. Where land is subject to ownership and rent arises, what fixes wages? (207 and 213)
26. What may happen to wages when land is all monopolized? (213)
27. What is the margin of production? (207 and 212)
28. What is the law of wages? (207 and 213)
29. Why is it that we find different wages for different individuals and occupations? (209-210)
30. What are the primary and fundamental occupations upon which all others are built? (210-212)
31. Is the law of wages a law of quantity or a law of proportion? (216)
32. Why is it that in spite of the increase of productive power, wages do not rise proportionately? (216-222)



# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### LESSON V

This fact - the great fact that poverty and all its concomitants show themselves in communities just as they develop into the conditions toward which material progress tends - proves that the social difficulties existing wherever a certain stage of progress has been reached, do not arise from local circumstances, but are, in some way or other, engendered by progress itself. - Henry George. Introduction to Progress and Poverty.

### Assignment

Book IV. Pp. 227-260.

### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What are the elements of material progress? (228)
2. What is the effect of increasing population upon the productive power of labor? (232)
3. Is the productiveness of either land or labor to be measured by the production of any one thing or by the production of wealth generally? (232 and 238-240)
4. As the productiveness of labor increases, what is the effect on the productivity of all land, the best and the poorest? (233)
5. What is the effect of increasing population on aggregate production? (233-234)
6. What is the effect on wages? (233-234)
7. What is the effect on rent? (234)
8. Can increasing population raise rent without reducing the margin of cultivation? (234-235)
9. Is the increase of rent due to what the landholder as such does? (241)
10. What are the two ways in which increasing population raises rent and tends to reduce wages and interest? (242-243)
11. Which is the more important? (241-243)
12. What is the effect of inventions upon production? (244)



13. What is the effect of increasing productive power in any one industry? (247)
14. Is demand for wealth limited? (245 and 247-249)
15. What are the two primary factors in the production of wealth? (245 and 249)
16. What is the effect of labor saving improvements upon the demand for land? (245 and 247-249)
17. What then is the effect of labor saving improvements upon the margin of production? (245 and 249)
18. What therefore is the ultimate effect of labor saving improvements (246 and 249)
19. If labor saving machinery could completely replace labor what would be the effect on rent and on wages? (253)
20. As material progress increases, and rent advances, what is the tendency of landholders? (255)
21. What is the effect of land speculation on the margin of cultivation? (256)
22. Does the settler in a new country take only the land he can use? (256)
23. Is all the land in any city fully occupied? (257)
24. What is the effect of speculation in land near the city? (257)
25. What is meant by the term "land poor"? (258)
26. Since speculation in land tends to extend the margin of cultivation what is the effect on the distribution of wealth? (259)
27. What is the cause that limits speculation in commodities? (260)
28. Does this cause limit land speculation? (260)
29. What is the limit to the speculative advance of rent? (260)
30. Why does rent advance faster in newer and rapidly growing communities than in older and more settled ones? (260)

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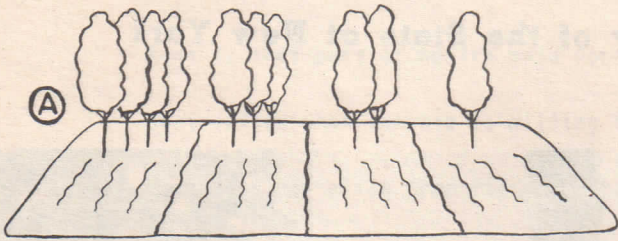
## THE LAW OF RENT

*Illustrated with Charts*



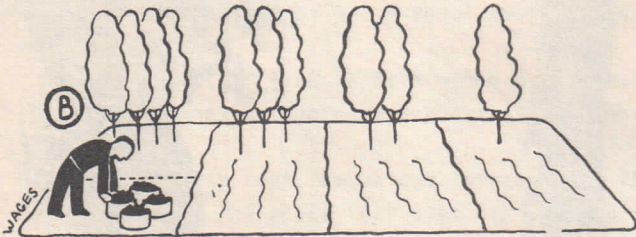
# THE LAW

## A - DIFFERENT GRADES OF LAND



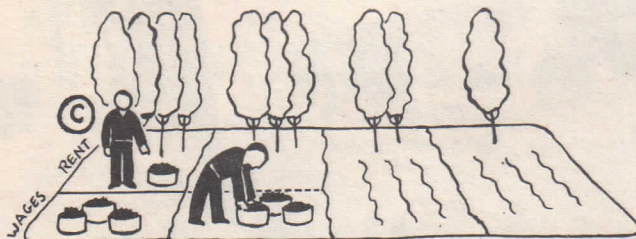
Here are four sections of a piece of land, with fruit trees. For simplicity, let us assume you can get one bushel of fruit from each tree. On the best section, where four trees are growing (at left) you can get four bushels in one day. On the next section, with the same day's labor, you can get only three bushels. On the next land two, and on the worst (at right), only one.

## B - FIRST COMER - ALL WAGES



So far, all this land is free. When the first man comes to pick fruit, which land will he appropriate? Naturally, the best. The best land then is the margin of production, (indicated by the dotted line). With one day's labor he gathers four bushels. They are all his wages - the reward for his exertion.

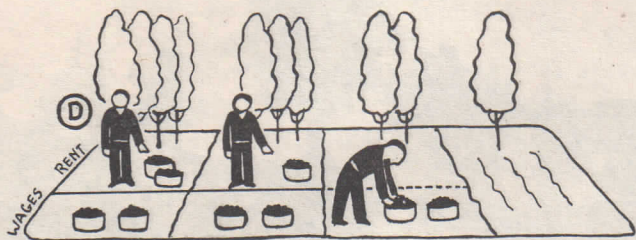
## C - SECOND COMER - RENT BEGINS



The next comer has to be content with the three-tree section. (This now becomes the margin of production). With one day's labor he can get only three bushels - they are his wages.

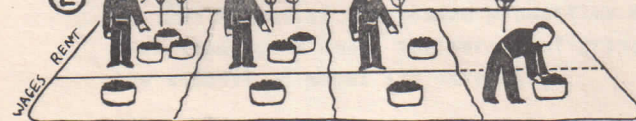
These two men work the same - still one gets four bushels, and the other only three. Why? Because of the difference of the land. The four-bushel land has a rent. Since it is one bushel superior, its rent is one (above the black line). Wages are three on both lands.

## D - THIRD COMER - FURTHER RISE OF RENT



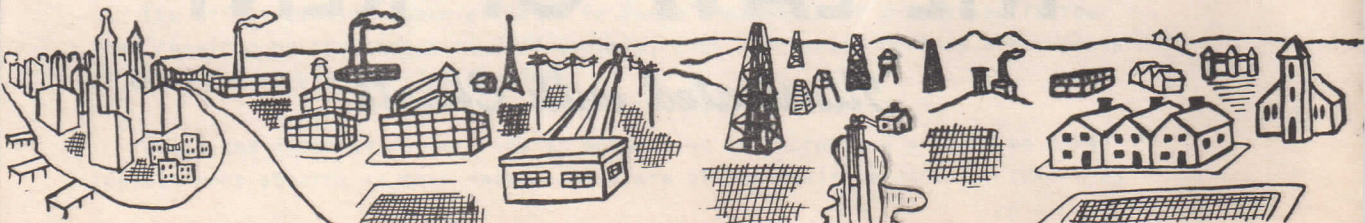
The third comer has to use the two-bushel land. (This land now becomes the margin.) The two bushels he gathers are his wages. The two bushels he gathers are his wages. The three-bushel land now has a rent of one, and the four-bushel land a rent of two. Wages on all lands are two. If this third comer wanted to work on the three-bushel land, its owner would give him only two as wages and take one as rent. And if he were to work on the best land, that owner could demand a rent of two, leaving two as wages. That's all the third owner could get working for himself on his two-bushel land. The rent represents what the land-owners can get without working, but solely by virtue of their ownership.

## E - FOURTH COMER - ALL LAND USED



The fourth comer arrives and the only land left is the worst land, on which he can get only one bushel. Now all the other lands have a rent in proportion to their superiority over this land (which is now the margin of production.)

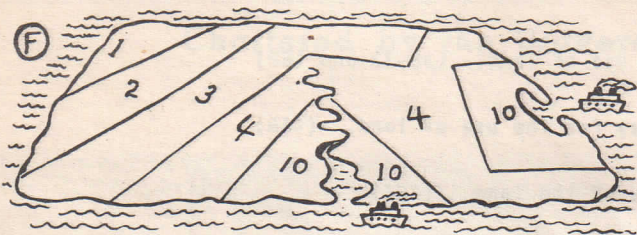
BELOW IS A PANORAMA OF SOCIETY SHOWING THE COMPARATIVE RENTALS OF DIFFERENT SITES.



URBAN BUS. & RES. - 100 | URBAN INDUSTRIAL - 80 | MINERAL RESOURCES - 80 | TOWNS & SUBURBS - 60 |

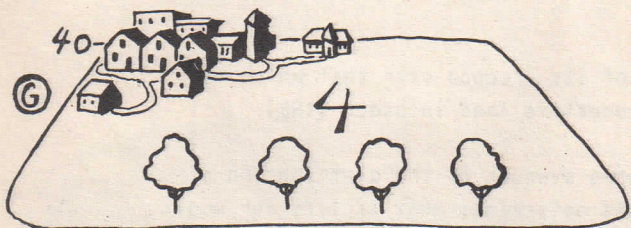


# OF RENT



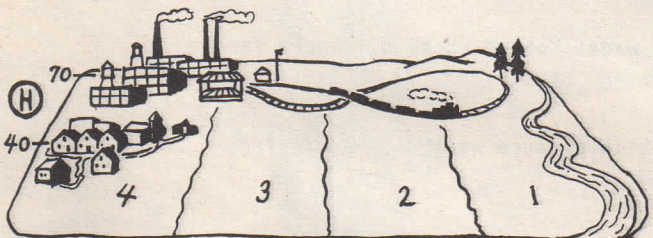
F - OTHER NATURAL DIFFERENCES

The operation of rent applies with any factor that makes one piece of land superior to other lands. There are other besides agricultural differences. The chart at left shows one, as an example. A good harbor makes land around it valuable. The land further away is less valuable.



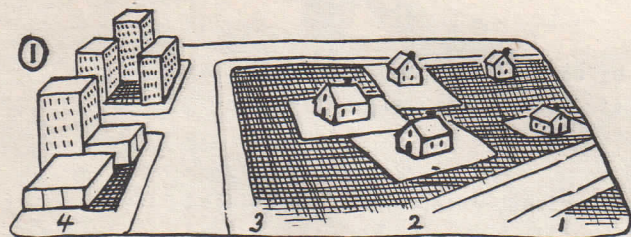
G - GROWTH OF POPULATION

Here is a good piece of agricultural land that yields four. People settle in one section of it, and a town grows up there. Though land within the town is no more fertile than the land outside, a productiveness of a new kind has arisen. Through cooperation and specialization of labor, that section of the land is of much greater productivity. It now yields forty instead of four. If the four land were free, rent within the town would be thirty-six.



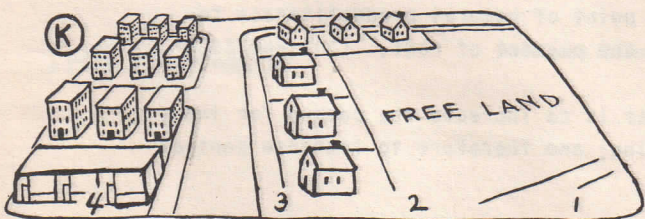
H - EFFECT OF INDUSTRIAL GROWTH

Industries grow up, new machines are invented, and much more can be produced. The productivity of industrial lands has become seventy, which is greater than the town's productivity of forty. Since more is produced, new materials are needed, and this extends the margin of production to land that yields only one. Wages then become one, and rent is the excess on all superior lands.



I - LAND SPECULATION

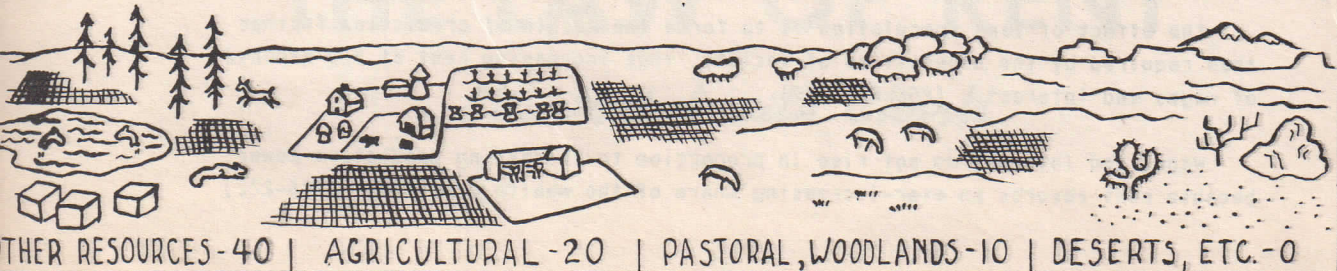
This chart shows the effect of land speculation - the keeping of land out of use for a higher price. People who wish to use land must use poorer lands, because the price asked for better lands is too high. This artificially forces rents up further, and forces wages down. The shaded area represents land held for speculation.



K - SPECULATION ABOLISHED

If there were no land speculation, people would use land whenever it was needed. There would be no artificial obstacle. This would cause only the best lands to be used. There would be no overcrowding and no sparseness of population. Rents would advance normally, and wages would not be forced down.

THE FIGURES ARE PURELY ARBITRARY. (THE SHADED AREAS REPRESENT SPECULATION, AS ABOVE.)





# THE LAW OF RENT

(Figures in Brackets refer to pages in "Progress and Poverty")

Rent is that part of wealth paid for the use of land. (32-33 and 162)

Rent arises when someone is willing to pay for the use of land. (166)

Rent does not arise from the productivity of the land. (166)

No piece of land can have a value if there is other land of equal productiveness that can be had without cost. (166)

Rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use. (168)

Since rent, wages and interest are the three avenues of the distribution of wealth, the share that goes for the use of land determines what is left for wages and interest. (167)

If a man can employ himself, the lowest wages for which he will work for others is what he can make working for himself. (205)

The fundamental occupations are those which procure wealth directly from nature. (210-212)

Where land is free and labor is unassisted by capital the total produce will go to labor as wages. (206 and 213)

Where land is free and labor is assisted by capital, the whole produce, less that part necessary to induce the storing up of labor as capital, will go to labor as wages. (213)

Where land is subject to ownership and rent arises, wages are fixed by what labor can secure at the margin of production. (213)

The margin of production is the highest point of natural productiveness to which labor is free to apply itself without the payment of rent. (207 and 212)

The effect of increasing productive power is to increase the demand for land, thus tending to lower the margin of production, and therefore to increase rent at the expense of wages and interest.

Therefore, as material progress increases, and rent advances, the tendency of landowners is to expect further advances - and to hold land out of use. (255)

The effect of land speculation is to force the margin of production farther than required by the necessities of society, thus increasing rent at the expense of wages and interest. (256 and 259)

Wages and interest do not rise in proportion to increasing productive power because rent absorbs an ever-increasing share of the wealth produced. (216-222)



# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### LESSON VI

I propose to beg no question, to shrink from no conclusion, but to follow truth wherever it may lead. . . . If the conclusions that we reach run counter to our prejudices, let us not flinch; if they challenge institutions that have long been deemed wise and natural, let us not turn back. - Henry George.  
Introduction to Progress and Poverty.

#### Assignment

Books V and VI. Pp. 263-330.

#### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What is the effect of land speculation on the margin of cultivation? (264)
2. What is the effect of land speculation on labor and capital? (264)
3. What happens when wages and interest fall below the accustomed returns to labor and capital? (264)
4. What is an industrial depression? (264)
5. When is normal production resumed? Name the three possible conditions. (265)

A period of speculation precedes every depression. This has given rise to two diametrically opposed explanations for depressions.

6. What is the over-production theory? (266)
7. What is the over-consumption theory? (266)
8. What is wrong with these explanations for industrial depression? (267)
9. What is the effect of speculation in the products of labor? (267)
10. Why is speculation in land different from speculation in the products of labor? (268)
11. What is trade? (268)
12. If there is a falling off of demand for some commodities, what is indicated? (268)
13. What is the result of a cessation of demand? (269)
14. Where does all production begin? (269)
15. What then is the effect of raising rent through speculation? (270)
16. Where can labor always find employment? (271-272)
17. Can there be industrial depression if labor and capital have access to land? (273)



18. When labor and capital adjust themselves to lower returns, and industrial activity is resumed, what is the effect on land values? (281)
19. Are depressions any different from the general problem of poverty? (281)
20. Why does poverty persist in spite of increased productive power? (282)
21. What is the effect of advancing civilization - on production? (283)
22. Why do not wages increase with the greater productive power of labor? (283)
23. What is the effect of advancing civilization - on labor? (283-284)
24. Why is it that where land values are high poverty and pauperism appear? (288)
25. What is the cause of inequality in the distribution of wealth? (295-296)
26. Would economy in government, or reduced taxes, increase wages? (301-303)
27. Can skill, industry or thrift increase the general level of wages. (303-310)
28. Can combinations of workmen increase the general level of wages? (312-313)
29. During a strike what happens to capital, to labor, to land? (313)
30. A strike therefore is a struggle between what two groups? (313-314)
31. Why cannot even a general strike succeed in raising wages? (314-316)
32. With land monopolized, can cooperative enterprises raise wages? (316-319)
33. Would the division of land into small units raise wages? (321-327)
34. What is the true remedy for the unequal distribution of wealth? (328)

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# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### LESSON VII

That alone is wise which is just; that alone is enduring which is right. - Henry George.

### Assignment

Book VII. Pp. 333-394

### Questions for Discussion.

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What constitutes the rightful basis of property? (334-336)
2. Is private property in land in accordance with the rightful basis of property? (336-341)
3. What economic elements are included in the legal term real estate? (337)
4. How does the term real estate lead to confusion in determining the rightful basis of property? (337)
5. If only labor products were recognized as private property how would economic equality be affected? (338)
6. To what fundamental wrong have we traced the unjust distribution of wealth? (340-342)
7. Is there any justification for the private ownership of land? (340-341)
8. What is the origin of land titles? (342)
9. How do titles to wealth differ from titles to land? (343)
10. Is it the absolute or the relative capability of land that determines its value? (343-344)
11. How can the individual satisfy the equal rights of others to the land he holds? (344)
12. Would collection of rent for the community disturb fixity of tenure which is necessary for improvement? (344)
13. Does priority of occupation give a valid claim for exclusive and perpetual title to land? (344-345)
14. What is the basis of nobility, aristocracy and power over the people? (351)
15. What is the essence of slavery? (353)



16. In their ultimate effects, is there any essential difference between the ownership of land and the ownership of men? (353)
17. In some ways, how is the condition of the chattel slave better than that of free labor under private ownership of land? (353)
18. So long as one man can claim the exclusive ownership of land, can slavery really be abolished? (357)
19. Would compensation to land owners be just to all the people? (360-361)
20. What is the difference between the robbery of rent and the robbery of an automobile or a sum of money? (364)
21. When a deed to land is found to be invalid, does the common law provide compensation to the innocent purchaser? (366)
22. How does the common law treat the improvements made by the innocent purchaser of a defective land title? (367)
23. If the people resumed ownership of the land would it be necessary for the individual landholder to be disturbed in the ownership of his improvements and personal property? (367)
24. Did the idea of private property in land always prevail? (370)
25. What are the causes that led to the general acceptance of the idea of private property in land? (372)
26. Up until the time of Henry George what tended to prevent oppression of labor in the United States, and to give a sense of freedom and security? (390)
27. What must we do if we would establish a real republic, if we would abolish real slavery in the United States? (394)

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# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### Lesson VIII

If you trace out the laws of the production and distribution of wealth, you will see the causes of social weakness and disease in enactments which selfishness has imposed on ignorance, and in maladjustments entirely within our control. And you will see the remedies . . . in simple measures sanctioned by justice. - Henry George.

### Assignment

Book VIII. Pp. 397-429.

### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. Why do men build and sow? (398)
2. What security does a man require to warrant his building upon or cultivating land? (398)
3. Is private ownership of land necessary to encourage the erection of buildings and the cultivation of land? (399-400)
4. How does the treatment of land as private property stand in the way of its proper use? (401)
5. If land were treated as common property when would it be used? (401)
6. What then is the surest method of securing the best use of land? (402)
7. What social evils have we traced to private property in land? (403)
8. In working out a method for abolishing private property in land, what right must be guarded? (403)
9. What methods might be employed to abolish private property in land? (405)
10. Would there be any injustice in the public purchase of land? (405)
11. Would it be necessary to confiscate titles? (405)
12. What is the practical method for abolishing private property in land? (405-406)
13. Would the public appropriation of rent be an additional tax burden upon the people? (406)
14. If the rent of land were taken in lieu of all other taxes, would there be sufficient revenue to bear the expenses of the government? (406)
15. What are the standards (the canons of taxation) to which taxation should conform? (408)



16. What effect does the taxation of labor and capital have upon production? (409)
17. What effect would the public appropriation of rent have upon production? (413)
18. What tax is the easiest and cheapest to collect? (414-415)
19. How does the taxation of labor products affect their price? (415-416)
20. Does a tax on land values increase the price of land? (416)
21. Can a tax on land values be shifted and thus increase the price of labor products? (416)
22. What tax can be collected with greatest certainty? (416)
23. What tax is the most just and equal of all taxes? (418-421)
24. If we cannot always separate the value of land from the value of improvements, is this a valid reason for continuing to tax all improvements? (425)
25. Were all buildings and improvements on a given site destroyed by fire, would that destroy the value in the land? (425)
26. Will the taxation of land values tend to increase or decrease the number of landholders? (427)
27. Is public spirit best fostered by the taxation of labor products or of land values? (427)
28. Why is there so great an opposition to a tax on land values and comparatively so little to almost all other taxes? (427-429)

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# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### LESSON IX

Whatever is potent for evil may be made potent for good. The change I have proposed would destroy the conditions that distort impulses in themselves beneficial, and would transmute the forces which now tend to disintegrate society into forces which would tend to unite and purify it. - Henry George

#### Assignment

Book IX. Pp. 433-472.

#### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What effect would removing taxes from labor and capital have on production? (433-435)
2. How would increased production benefit the community? (435-436)
3. What effect would taxing land values have on land speculation? (436)
4. What would be the effect on the selling price of land? (436)
5. What effect would the elimination of land speculation have on production? (436-437)
6. In taxing land values, would a given piece of land be taxed the same whether it was used or idle? (437)
7. What effect would opening new opportunities have upon competition between laborers? (438)
8. What would be the effect on wages? (438)
9. Could there be unemployment and depressions? (439)
10. Why is it that as civilization advances there is a tendency to a greater and greater inequality in the distribution of wealth? (440)
11. If labor and capital were freed of taxation, and if all the rent of land were taken for our common needs, how would the unequal distribution of wealth be remedied? (440-441)
12. With this remedy in effect, who would ultimately receive this rent? (440)
13. What would then be the result of material progress? (441-442)
14. What effect would the increase of wages have on the efficiency of labor? (444)
15. What effect would the increase of wages and interest have on invention? (445)



16. Would those whose interests as wage earners and capitalists exceed their interests as land owners, lose by the public appropriation of rent? (447 and 452)
17. How would the home owner fare? (448)
18. Would the working farmers lose? (450)
19. What effect would the destruction of land speculation have on the distribution of population? (451)
20. What is meant by the "equal distribution" of wealth? (453)
21. With monopoly of land gone, would there need be fear of great fortunes? (453)
22. Would the proposed change simplify or complicate government? (454-456)
23. What would be the effect on criminal classes? (455)
24. What makes the rich man loath to part with his money? (457-461)
25. If land were free would men worry about employment? (461)
26. Is self-interest the strongest motive of human action? (462-463)
27. With want abolished, what would be the attitude of man toward man? (464-465)
28. If want were banished, would desire remain? (466)
29. Is all the work which improves the condition of mankind done to secure a living? (468)
30. What is the greatest waste of society today? (469)
31. Are the differences in mental power greater than in physical stature? (469)
32. What is the influence of environment? (470)
33. Would public appropriation of rent benefit everyone - even the greatest landholder? (471)

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# HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

## Fundamental Economics and Social Philosophy

### LESSON X

I have in this inquiry followed the course of my own thought. When, in mind, I set out on it I had no theory to support, no conclusions to prove. Only, when I first realized the squalid misery of a great city, it appalled and tormented me, and would not let me rest, for thinking of what caused it and how it could be cured. - Henry George.

### Assignment

Book X. Pp. 475-552. Conclusion. Pp. 555-565.

### Questions for Discussion

Numbers refer to pages in Progress and Poverty where subject is treated.

1. What one characteristic differentiates man from all other animals? (476)
2. How is man's power of improvement manifested? (477)
3. What is a common explanation for the progress of civilization? (478-480)
4. According to this theory, does civilization advance because of any conscious effort of man? (480)
5. Is the march of civilization constant and continuous? (482-485)
6. What conditions in each arrested civilization seem to indicate the cause for its being overwhelmed by barbarians? (487)
7. Must there be a limit to national or race life, just as there is to an individual life? (487-488)
8. Where must we look for the causes which in every civilization have brought progress to a halt? (488)
9. Are differences in language, religion, habits of living and of thought transmitted at birth or acquired from environment? (489-490)
10. Are paupers and criminals born paupers and criminals? (492)
11. What determines national character? (494)
12. Are the differences between men in different states of society due to the influence of heredity or of environment? (489 and 495)
13. Is the advance of the present civilization over that of previous civilizations due to qualities inherent in man or to differences in society? (504-505)
14. What are the incentives to human progress? (506)



# Questions and Answers

## ABOUT THE

### Henry George School of Social Science

#### **What is the School?**

The Henry George School of Social Science is an educational institution chartered in 1932 by the University of the State of New York "for the purpose of teaching fundamental economics and social philosophy." Classes have been conducted continuously in New York City since 1933 and in Chicago since 1934. The School was incorporated not for profit in Illinois in 1936. Extension classes meet in over 100 other cities of the United States and Canada, as well as in England, Denmark, Australia and New Zealand.

#### **Who is back of the School?**

Since the first classes were conducted, the graduates themselves have carried on and extended the work of the School. They have prepared themselves to teach, have given their time to the mailing of announcements and in other ways securing students, and have contributed financially to pay the necessary costs. It is the graduates who are back of the School and who are the mainstay of its support. Administration of the School is under a board of trustees.

#### **What does the School hope to accomplish?**

An economically informed citizenry. The instructors in the School give their services without financial remuneration in the belief that a lasting solution of our economic and social problems depends on a more widespread understanding of fundamental economic principles. The one purpose of the School is to make available to everyone a free education in fundamental economics and social philosophy. The School has no political affiliation or legislative program. It asks no one to join any organization, or to do anything but study and help get others to study.

#### **What does the School teach?**

COURSE I. 10 weeks. *Fundamental economics and social philosophy—a study of how men in society make a living—a study of the economic principles which explain why depressions recur, why poverty persists with plenty, why millions are periodically unemployed, why nations go to war, why labor and capital fight.*

COURSE II. 6 weeks. *Principles of international trade.*

COURSE III. 5 weeks. *Social problems.*

COURSE IV. 10 weeks. *The science of political economy.*

COURSE V. 10 weeks. *Teachers training and review.*

COURSE VI. 10 weeks. *Survey of current economic and social trends.*

#### **How does the student benefit?**

The person who understands economic principles is better able to discharge his responsibilities as a citizen. He is better qualified to evaluate political and social trends—to read the news behind the news—to take his

part in making his community and the world a better place in which to live. The writer will write more intelligently, the speaker will speak with greater conviction, the business man will make sounder analyses—as a result of this study. A certificate is issued upon attendance at a minimum of seven of the ten basic lessons.

#### **Who is eligible to enroll?**

Thinking people from all walks of life. There are no entrance requirements; no previous study of economics is necessary. The basic course is equally profitable to those with and without prior study in this field. Students include men and women of all ages. Advanced courses are open to those who have completed the first course.

#### **What is required of the student?**

Attendance in class once a week for ten weeks. Each lesson is two hours, and requires approximately two hours of outside reading. An assignment sheet, with about thirty questions to be discussed in round-table fashion at the following lesson, is given to the student at each session. The questions aid the student in thinking out the subject matter of the lesson and in reading the textbook, "Progress and Poverty," by Henry George. No written work nor examination is required. Arrangements can be made for making up lessons missed.

#### **What is the cost to the student?**

There is no tuition fee or other charge. The student may bring his own copy of the textbook or purchase it at class for one dollar.

#### **How can the student help the School?**

Upon completion of the basic course, interested students may prepare themselves to teach, may take part in the forming of new classes and the securing of students, and may contribute toward the cost of offering the course to a wider circle of people.

#### **Where do classes meet?**

In the loop at the School headquarters, 236 North Clark Street, and in homes, offices and community centers throughout Chicago and suburbs. All neighborhood places of meeting are donated.

#### **And for those who cannot attend class?**

A correspondence course covering the same ten lessons of the basic study is available without tuition charge.

"LET NO MAN IMAGINE THAT HE HAS NO INFLUENCE. WHOEVER HE MAY BE, AND WHEREVER HE MAY BE PLACED, THE MAN WHO THINKS BECOMES A LIGHT AND A POWER."

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