
A SCIENCE

To help organize our presentation of Henry George's economic theories we will adopt a simplified but useful model of the sciences.

...political economy is not a set of dogmas. ... It is... science (p. 11)

The order of presentation:

- ♦ definitions; to be well defined must collectively exhibit:

- 1) mutual exclusivity
- 2) joint exhaustivity

Before proceeding... let us make sure of the meaning of our terms, for indistinctness... must inevitably produce ambiguity and indeterminateness in reasoning. (p. 31)

- ♦ axioms; premises which cannot be proved within a science, but are obvious (perhaps even tautological) from outside the science

which we all recognize... which we safely base the reasoning and actions of everyday life... truths which have the highest sanction (p. 11)

- ♦ causal theories and/or laws; subject to testing and verification

... in the sequence of phenomena there is no accident (p. 12) ... science... trace[s] mutual relations and... identify[ies] cause and effect (p. 11)

in the domain of political economy we cannot test our theories by artificially produced combinations or conditions... yet we can apply tests no less conclusive, by comparing societies (p. 12)

THE INVESTIGATIVE PROGRAM

The subject matter:

Of all the sciences, political economy... is of the most practical importance. ... it is the science which treats... the nature of wealth and the laws of its production and distribution (SPE, p. xxxvii)

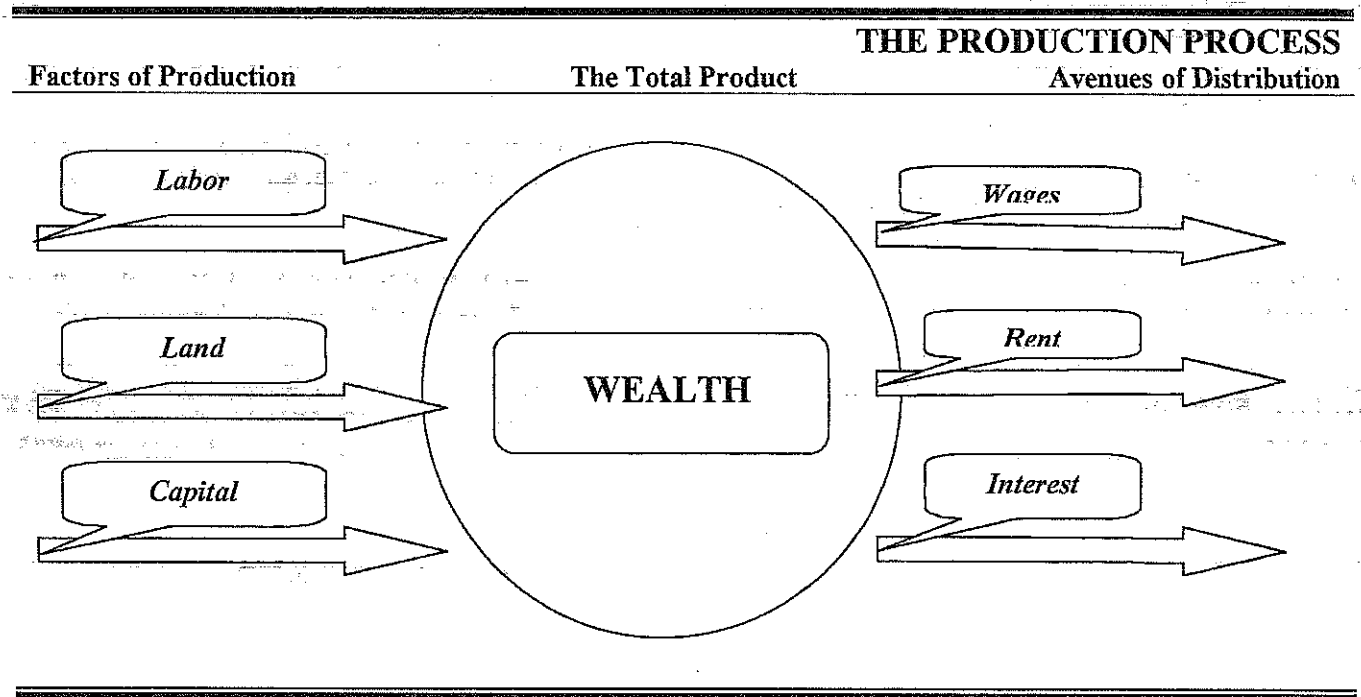


The specific intent of writing **Progress and Poverty**:

I propose to seek the law which associates poverty with progress, and increases want with advancing wealth... This association of poverty with progress is the great enigma of our times. ... It is the riddle of the Sphinx of Fate puts to our civilization and which not to answer is to be destroyed. (p. 12)

DEFINITIONS

We will establish Henry George's definitions for the terms included in the below stylized ideograph of the production process:



AXIOMS

... that men seek to satisfy their desires with the least exertion (p. 12)

A supplemental assumption not always stated explicitly is also accepted to the effect that human desires are unlimited.

LAWS

Henry George develops a form of the standard Ricardian differential rent theory with variations on assumptions concerning diminishing returns; the short version:

As civilization advances we must resort to the use of lesser and lesser productive land; as the margin of production thus moves further outward rents increase leaving that much less of the total production left over for wages and interest.

RENT VARIES INVERSELY WITH THE MARGIN OF PRODUCTION
[A Differential Productivity Gradient Model of Land]

RENT	3	2	1	0	stage 4
	2	1	0	unoccupied	stage 3
	1	0	unoccupied	unoccupied	stage 2
	0	unoccupied	unoccupied	unoccupied	stage 1
Production on land w/ equal amts of labor & capital	8	7	6	5	
WAGES	8	unoccupied	unoccupied	unoccupied	stage1
	7	7	unoccupied	unoccupied	stage2
	6	6	6	unoccupied	stage 3
	5	5	5	5	stage 4

As the margin of production moves outward to increasingly less productive land rents on better grades of land go up, and wages go down.