

# TEACHERS MANUAL

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FUNDAMENTAL ECONOMICS  
AND SOCIAL PHILOSOPHY

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THIRD EDITION

PRICE - THIRTY-FIVE CENTS

HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

Chartered by the University of the State of New York

National Headquarters:  
30 EAST 29th STREET  
NEW YORK CITY

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## FOREWORD

The Henry George School of Social Science, chartered by the Board of Regents for and on behalf of the State Education Department--The University of the State of New York, is an institution devoted to teaching Fundamental Economics and Social Philosophy, and is purely educational in character and method.

The lessons presented in this third (revised) edition of the Teachers Manual are based on those prepared by Oscar H. Geiger, founder of the School, for his original classes at the headquarters of the School.

The outstanding success achieved at the headquarters through the use of these lessons prompted the idea of extension classes. During the summer of 1934 a number of students of the School conducted classes in their homes and business offices. Their success effectively demonstrated the soundness of the extension class idea when coupled with a systematic method of presenting the lesson material. Since then classes have been conducted in scores of cities with a success that establishes even more firmly the soundness and value of this method.

The way is now open for classes wherever groups can be gathered for the purpose of study and discussion. If you are interested in spreading a knowledge of political economy in these days of confused thought and uncertain action, this Manual affords you the opportunity.

The Trustees of the School require those using this Manual to confine their activities in classes strictly to the teaching of political economy as a science, following Progress and Poverty by Henry George as the textbook. The School, in accordance with the provisions of its charter, is prohibited from taking part in political activity of any kind.

## SUGGESTIONS TO THE INSTRUCTOR

This Manual has been developed through actual classroom experience. It is believed that the teacher will meet with greatest success by following it carefully.

### How To Use

This Manual Strive to have the members of the class furnish answers to the questions. Merely supplement their efforts. Observe the class closely, encouraging the less active members to take part.

At all times, however, let the discussion, as well as the questions be confined to the particular lesson before the class.

Avoid digressions along irrelevant lines during the class period. Make sure to cover the essential core of material as outlined in each lesson.

Avoid partisan or local political subjects, unless the question has a direct bearing on the matter in hand. Questions should always be answered with reference to their economic rather than their political aspect.

If a question should be asked regarding a subject previously covered, it is usually advisable to review it briefly since, if one student failed to get the point, others may also have missed it.

If a question should be brought up on a subject scheduled for a subsequent lesson, answer briefly or postpone the answer, pointing out that the subject will be fully treated in regular order.

If when you ask the question it doesn't seem to be understood, re-state the question in other ways until the substance of the question is grasped. To understand the question is often to know the answer.

Many questions can be answered with "yes" or "no" or in some other simple fashion. When amplification is desired, ask the student to state the reason for his answer, or to give an example.

The answers in the Manual are merely suggestive to the teacher. If the student answers the question correctly in substance, be quick to recognize that he has grasped the thought. Do not require the student to answer in the exact phraseology of the Manual.

The questions in the Manual are designed to help the student reason out each concept for himself rather than to have him depend upon his memory of the text.

The questions in each lesson must be considered as a complete entity. The teacher should therefore familiarize himself not only with the answers to each individual question, but also with the general principles that these questions aim to bring out. In asking and discussing questions, keep in mind the direction toward which the lesson is tending.

The teacher's re-reading of the assignment for each lesson (no matter how often he has read it before) is essential for the proper presentation of the subject. It will not only remind him of what he already knows but will bring out new thoughts and suggest further illustrations of the theory.

\* \* \* \*

The lessons have been prepared for two-hour sessions to be held one each week for ten weeks.

Class Open and close sessions promptly.

Routine It is desirable to have a recess of five or ten minutes about the middle of each session, following the taking of the roll and the careful recording of attendance.

At the close of the third lesson send a list of your enrollment to National Headquarters, mailing later the names of any subsequent additions to the class.

At the close of the ninth lesson send the School the names of those who are completing the course. Certificates will be sent to you for awarding at the closing session. Attendance at a minimum of seven lessons is required.

Throughout the course there is no written work or examination.

All students should be urged to get others to take the course. Toward the close of the course give your students an opportunity to furnish you with a list of prospective students for your next class.

The most active students should be encouraged to continue their studies with a view to teaching classes of their own.

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### Instructor's Notes

The numbers after the answers in the Manual are page references to the fiftieth anniversary edition of the textbook, Progress and Poverty by Henry George, published by the Robert Schalkenbach Foundation, 11 Park Place, New York.

### Textbook and Class- room Helps

Students may bring their own copies of the text or purchase them through you. Have a supply on hand at the opening session, placing your order in advance with the publisher.

Lesson assignment sheets and other classroom helps, including a popular questionnaire and a bookmark with definitions, are furnished by the School without cost to the instructor for free distribution to the students.

Tuition is free to all.

Write the School for help in meeting any problem that may confront you in the organizing or teaching of your class.

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

## C O N T E N T S

<u>Lesson</u>	<u>Subject and Reading Assignment</u>	<u>Manual Page</u>
I.--The Problem (Introductory, pp.3-13) . . . . .		2
II.--Meaning of the Terms and Insufficiency of Wages Fund Theory (Chaps.I and II, Book I, pp.17-49) . . . . .		4
III.--Disproof of Wages Fund and Over-Population Theories (Chaps.III-V, Book I, and Book II, pp.50-150) . . . . .		9
IV.--The Laws of Distribution (Book III, pp.153-224) . . . . .		14
V.--Effect of Material Progress upon the Distribution of Wealth (Book IV, pp.227-260). . . . .		20
VI.--The Problem Solved and the Remedy (Books V and VI, pp. 263-330) . . . . .		25
VII.--Justice of the Remedy (Book VII, pp.333-394). . . . .		30
VIII.--Application of the Remedy (Book VIII, pp.397-429) . . . . .		34
IX.--Effects of the Remedy (Book IX, pp.433-472) . . . . .		38
X.--The Law of Human Progress and the Problem of Individual Life (Book X and Conclusion, pp.475-565) . . . . .		42

Assignment page numbers refer to the textbook, Progress and Poverty by Henry George. (Fiftieth Anniversary Edition, Robert Schalkenbach Foundation, Publishers, New York).

LESSON I

Reading and Discussing of The Problem, pp. 3-13.

Suggestions to the Instructor

Distribute enrollment cards and blue questionnaires as the students arrive, the object being to keep them interested until the opening of the class. Give the class twenty minutes or so to work on the questionnaire and to visit each other.

Open the class by stating briefly the economic and social problem facing the world today, pointing out that this problem can be solved only with a knowledge of the science of political economy, and that it is the chartered purpose of the School to teach this science.

DO NOT REVEAL ANY PART OF THE SOLUTION OF THE PROBLEM IN THIS SESSION.

Start a get-acquainted discussion by asking different members of the class such questions as will elicit a ready response and emphasize the importance of the economic problem. Such questions as the following have been helpful (you will think of others perhaps more appropriate):

How many unemployed are there today?

(After getting a number of estimates point out that after all it doesn't make much difference what the exact number of unemployed is, for whether large or small, it constitutes a problem).

How many social problems are related to the problem of unemployment?

Are unemployment and poverty merely depression problems?

Will there be a "next depression"?

Agreement on the answers is not desired at this session. The object is to arouse curiosity as to the nature and solution of the problem of poverty.

Explain that it will be the province of this course to inquire into the cause of this problem, and to seek its solution step by step in the lessons that follow.

Explain that as an aid to making the inquiry, Progress and Poverty by Henry George will be the textbook. In order that the students may get acquainted with the text, pass out copies to all who did not bring their own. After pausing, perhaps, at the portrait of Henry George, the dedication, and John Dewey's statement in the Foreword, read all or part of the Problem. (Many teachers have the students share in the reading). Make comments showing how almost any one of the passages might have been culled from this morning's newspaper and how we are today facing exactly the same problem that Henry George set out to solve.

Explain that the School asks no more of its students than Henry George asks of his readers - to think for themselves. Explain that this is the only price for the course which otherwise is entirely free because of the voluntary contributions of funds and services on the part of graduates and other friends of the School, no teacher being paid.

Instructor's NotesInstructor's Notes

Questions about the School and its purposes might be answered at this point.

Before passing out the assignment for Lesson II, stress the importance of definitions and of the ground work of the early lessons. Without at this time going into the laws of distribution and without revealing the conclusions, outline the course so as to show the importance of studying each lesson.

You might say, for instance:

As in every science, so in the science of political economy, before its laws can be understood, its terminology must be mastered.

The next lesson will very largely deal with our getting a common understanding of terms that will be used throughout the course.

In the third lesson we will consider two theories which, though widely accepted, fail to explain this phenomenon of poverty in spite of progress.

In the fourth and fifth lessons we shall take up the natural laws of the distribution of wealth.

Then we shall be in a position to see the relation of these natural laws to the problem we are facing. In subsequent lessons we shall be equipped to consider what measures may be taken to bring our man-made laws into harmony with natural law, and what might then be the economic and social effects.

From this brief outline of the course, the importance of each lesson becomes apparent. Each lesson is a link in the chain of thought which will lead to the solution of the problem of poverty. Therefore the student who attends with regularity is certain to get most from the course. Particularly is this true of the early lessons in which we define our terms, clear the ground, and lay the foundation of the structure we hope to build.

Ask for enrollment cards to be handed in and for a dollar for each of the textbooks retained.

Close the class with a word reminding the students to bring their friends to the second lesson (last chance for registration).

Instructor's Notes

LESSON II

Book I, Chap. II. The Meaning of the Terms. Pp. 31-49. Also  
p. 162, middle paragraph.

Chap. I. The Wages Fund Theory - Its Insufficiency.  
Pp. 17-30.

The object of this class is to study the science of political economy. Since this science deals with the production and distribution of wealth, we enter this inquiry with the objective of discovering the cause of the maldistribution of wealth, which is the problem of poverty.

We shall try to discover "Why, in spite of increase of productive power, do wages tend to a minimum which will give but a bare living." We shall "seek the law which associates poverty with progress, and increases want with advancing wealth."

Political economy, as it is generally taught, fails to explain this phenomenon of the persistence of poverty in the midst of advancing wealth, as well as the phenomenon of recurring industrial depressions. The reason for this is perhaps due to the fact that statesmen and so-called economists fail to treat political economy as a science, and insist that there is nothing fixed, that there are no eternal verities, free from man-made laws, in this field of study.

"This," says Henry George, "must be due not to any inability of the science when properly pursued, but to some false step in its premises, or overlooked factor in its estimates. And as such mistakes are generally concealed by the respect paid to authority, 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. I propose to beg no question, to shrink from no conclusion, but to follow truth wherever it may lead."

Much of the confusion in political economy is due to ambiguity in the use of terms. It is obvious that where a basic word is not clearly defined much confusion in thought arises, and conclusions logically arrived at from divergent meanings of a term may be violently contradictory. It is important, therefore, that at the outset we define the terms which are basic in the study of political economy. Having arrived at definitions which conform with logic and experience, we shall be careful to use the terms always with these definitions in mind. Thus we shall avoid confusion and our inquiry will tend to advance to logical conclusions.

Since the science of political economy treats of the nature of wealth, its laws of production and distribution, our inquiry starts with the definition of the term wealth.

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|--|--|
| 1. What is wealth?   | All material things produced by human labor for the gratification of human desires (having exchange value). (41-42)<br><br>NOTE: Political economy being a social science, its central term, wealth, necessarily involves the idea of exchangeability (39-42 and 49). Political economy is not concerned with how one man makes a living but how men in society make a living. |
| 2. Are bonds, mortgages, promissory notes or bank bills wealth?                    | No. They are but evidences of wealth or claims on existing or prospective wealth. Their increase or decrease does not affect the sum total of wealth. (40)   |
| 3. Is land wealth?   | No, for it is not a product of labor. (38)   |
| 4. Are knowledge, executive ability or skill of an artisan, wealth?                | No. They are human qualities, the attributes of labor. (39)  |
| 5. Are slaves wealth?  | No. They are human beings whose labor is exploited. (40)   |
| 6. What are the factors in the production of wealth?                               | Land, labor, and capital. (38)   |
| 7. What is land?   | The whole material universe outside of man and his products. (38)  |
| 8. What is labor?  | All human exertion directed toward the production of wealth. (39)  |
| 9. What is capital?  | Wealth devoted to the production of more wealth. (42)  |
| 10. Is all wealth capital?   | No, only that part which is devoted to the production of more wealth. (42)   |
| 11. When is production completed?  | When the product reaches the consumer. (48)  |
| 12. Are transportation and merchandising (wholesale or retail) part of production? | Yes. The railroad and the merchant are as truly engaged in production as is the manufacturer. The "consumers" of a railroad are not its owners but the persons who from time to time use it. (48)  |
| 13. What is wealth still in the course of exchange?                                | Articles of wealth yet to be exchanged are capital. Articles of wealth that are in the hands of the consumer are not capital. (48)   |
| 14. Give some examples of wealth that is, and wealth that is not, capital.         | An auto used in business is capital - for pleasure it is not. Food in the possession of a restaurant is capital - in the pantry of a housewife it is not. (46-47)  |
| 15. How is wealth distributed?   | Into rent, wages, and interest. (32-33 and 162)  |

16. What is rent?

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

NOTE: It is not payment for the use of buildings or other improvements. In the economic sense there is rent where the same person is both owner and user. (This is not the time to take up the law of rent - only its definition).

17. What are wages?

That part of wealth which constitutes the reward of labor. (32-33 and 162)

18. What is interest?

That part of wealth which constitutes the return for the use of capital. (32-33 and 162)

NOTE: It is helpful to develop the following diagram before the class as each of the foregoing definitions is considered:

SOURCE	PRODUCT	DISTRIBUTION
Land	Wealth	Rent
Labor		Wages
Capital		Interest

Stress the fact that there are never more than three factors in production, nor more than three avenues of distribution. Discussion can bring out that land and labor are the primary factors.

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?

The tendency of wages to a minimum that will give but a bare living. (17)

20. What is the "wages fund theory" advanced to explain this problem?

Wages are fixed by the ratio between the number of laborers seeking employment and the amount of capital devoted to its employment.

$$\frac{\text{Capital Fund}}{\text{Number of Laborers}} = \text{Wages} \quad (17)$$

21. If the wages fund theory were correct, how would wages and interest act in relation to each other?

Wages would rise as interest falls and interest would rise as wages fall. (19)

22. Does it seem to be a fact that wages and interest rise and fall together or conversely?

They rise and fall together. (19)

EXAMPLE: In California when wages were higher than anywhere else in the world, so also was interest higher. Wages and interest have since gone down together.

23. Do we find wages higher in old countries where capital is abundant or in new countries where capital is scarce?

In new countries where capital is scarce and interest rates high. (19)

EXAMPLE: During the last century wages and interest were higher in the United States than in England, and in the Pacific rather than in the Atlantic States. Where labor flows for higher wages, capital also flows for higher interest.

24. What is the relation between wages and interest in "good times" and in "hard times"?

They are both high in "good times" and both low in "hard times". (21)

NOTE: High rates of discount during commercial panic, which are really high rates of insurance against risk, are not to be confused with high rates of interest.

25. Judging from this relationship is there any real conflict between laborers and capitalists as a whole?

No. Their interests are harmonious. The relation between wages and interest is one of conjunction not of opposition. (21-22)

26. What is the assumption upon which the wages fund theory is based?

That wages are drawn from capital and therefore that the gross amount of wages must be limited by the amount of capital devoted to the employment of labor. (22)

27. Must capital be accumulated before labor is employed?

No, for capital itself is the product of labor - is stored-up labor. (26)

NOTE: This is as true in a state of society in which production has become a complex operation as it is in a primitive society.

28. Is our complex, modern economic society different from earlier, more primitive society in kind, or only in degree?

Only in degree - all are still trying to obtain from nature the satisfaction of their desires. (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?

Yes. To the extent that a man exchanges the direct product of his own labor for the direct product of the labor of others, he is really applying his own labor to the production of the things he desires. (28)

30. Do these considerations support the theory that wages are paid from the advances of capital?

No. Wages are the earnings of labor, not the advances of capital. (28-30)



We have now established the meanings of the basic terms which we shall use throughout this inquiry. We have also considered the factors in the production of wealth and the avenues of its distribution. Briefly we have touched upon a doctrine often advanced as explaining the persistence of poverty - the so-called wages fund theory - and have indicated its inadequacy. In our third lesson we shall examine this doctrine more thoroughly to see whether it does in fact explain the phenomenon we are investigating. Also, we shall test another and corollary explanation for the persistence of poverty - that of the pressure of population against the means of subsistence.

The reading assignment for Lesson III is the balance of Book I, pp. 50-88 and Book II, pp. 91-150.

NOTE TO INSTRUCTOR: Distribute the book-marks with the definitions at the close of this lesson.

## LESSON III

Book I, Chaps. III-V. Wages and Capital. Pp. 50-88.

Book II. Population and Subsistence, Pp. 91-150.

In our previous lesson we stressed the importance of clearly defining our terms. We agreed that whenever we use the word "wealth" it will mean every material thing produced by labor for the gratification of human desires, having exchange value. However we must be sure to note that wealth does not include certificates of ownership such as deeds, bonds, notes; neither does it include land or human skill.

The word "land" includes not only land sites but also all nature and the forces of nature, exclusive of man and the products of his labor.

"Labor" is all human exertion in the production of wealth, regardless of whether that labor is of a man with a pick and shovel, an engineer, an office executive or a salesman.

"Capital" is that part of wealth used in the production of more wealth.

"Rent" is the return to land and is paid for the privilege of producing. In the economic sense there is rent where the same person is both owner and user. Economic rent is to be distinguished from what is paid for the use of a building, which would come under interest or wages or both.

WAGES

"Interest" is the return for the use of capital.

In this lesson we shall consider two theories which have been advanced to explain the persistence of poverty amid advancing wealth. The first is the wages fund theory (that wages are fixed by the ratio between the number of laborers seeking employment and the amount of capital devoted to its employment). The other is the theory that population increases faster than the means of subsistence, and that poverty is a result therefore of the niggardliness of nature.

It is advisable here to point out that very few economists now accept either of these theories, or teach them. Yet, it is important to consider them because they are often met with in popular thought, in the press and in the political arena. In the minds of many people the notion persists that if population could be restricted times would be better. We are told that there are more workers than jobs, and that we must expect a permanent army of unemployed. Also, we read frequently that the scarcity of jobs is due to the timidity or lack of capital. And immigration restrictions are a definite indication of how the wages fund and Malthusian theories persist after the labels have been discarded.

1. When the laborer employs himself do his wages come from capital? No, from the product of his labor. EXAMPLE: Berry picking. (50)
2. When laborers are paid in kind do wages come from capital? No, from the product of their labor. EXAMPLE: The farming of land on shares. (53)
3. When laborers are paid by a percentage of what they produce where do wages come from? Production. EXAMPLE: Salesman. (53)
4. When wages are paid in kind, does the laborer receive his wages before or after production? After. EXAMPLE: The Chinese referred to in Progress and Poverty who took some of the organs of the seal in payment of their catch. (55)
5. When wages are paid in money is the result any different from paying wages in kind? No. Money but represents the wealth produced. Production is always the mother of wages. (55-56)
6. Does labor precede the payment of wages? Yes. Of all the unemployed laborers in the world today, there is probably not a single one willing to work who could not be employed without any advance of wages. (57-59)  
  
NOTE: Advance payments such as "retainers" to lawyers are in the nature of guarantees.
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? No. Labor always adds to capital by its exertion before it takes from capital in its wages. (64-69)  
  
EXAMPLE: The value of a partially completed ship, canal, or tunnel stands in place of the value paid out in wages.  
  
NOTE: The employer does not need capital for the payment of wages but only if he wishes to accumulate the products of labor.
8. Do we live on current or past production? Current. Suspension of production in any community would bring death to that community in a few weeks. (75-76)
9. Why do men labor? To satisfy their desires. (77)
10. Why does the laborer produce things that other people desire? Because in aiding in the production of what other producers want, he directs labor to the production of what he wants. (77)  
  
EXAMPLE: If the laborer makes jack-knives and eats wheat, the wheat is really as much the produce of his labor as if he had grown it for himself and left wheat-growers to make their own jack-knives.
11. Does labor support itself, or is it maintained by advances of capital? Labor receives in subsistence and wages only its own produce. They who do the work of production put in before they take out. (59-60 and 77-79)

12. Does capital supply the materials which labor works up into wealth? No. The materials are supplied by nature. (81)
13. Does capital limit industry, i.e., labor's opportunity to produce? No. The only limit to industry is access to natural material. (81)
14. Can capital determine the form or productiveness of industry? It may. Ignorance (or inability to employ capital profitably) or unjust laws (which makes the use of capital hazardous) may determine the productiveness of labor. But this is not to be confused with lack of capital. (81)
15. What is the function of capital? To increase the power of labor to produce wealth by enabling labor (1) to apply itself in more effective ways (2) to avail itself of the reproductive forces of nature and (3) by permitting the division of labor. (80)
16. What produces capital? Labor. (87-88)
17. Does lack of capital explain the persistence of poverty? No. (87-88)
18. What is the population theory advanced to explain the persistence of poverty? The Malthusian doctrine - that population naturally tends to increase faster than subsistence. (91)
19. How does this doctrine support the wages fund theory? Just as an increase in population would necessitate the more minute division of subsistence, so would the increase in the number of laborers apparently require a more minute division of capital. (97)
20. According to this doctrine what provision has nature made to reduce the press of population against subsistence? Pestilence, starvation, poverty. (99)
21. To whom does this doctrine give solace and comfort? To the few who enjoy special privileges. (98)
22. To what can we attribute the poverty of supposedly overpopulated countries, other than density of population? Unsocial ignorance, unjust laws and destructive warfare. (106)  
  
EXAMPLES: India (114-121). China (121-123). Ireland (123-128).
23. In point of fact have the populations of these countries outrun the means of subsistence? No. Large unused areas and inefficiency of production indicate that a great deal more could be produced in these countries than is being produced. (113)  
  
STATISTICS: Population per square mile: India, 177; China, 105; Germany, 346; Belgium, 675; United Kingdom, 482; Netherlands, 577; Italy, 341; Japan, 419; Spain, 115; Russia, 18; United States, 40.4; Canada, 2.5. (1929 figures).

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| <p>24. In these supposedly over-populated countries does all the wealth produced go to the support of the producers?</p>              | <p>No. In all these nations a large number of non-producers have been supported in luxury and production has been retarded by unjust laws. (113-128)</p> <p>EXAMPLE: During the Irish famine, food was exported to pay the rent of absentee landlords.</p> |
| <p>25. What is the limit of subsistence for animal and vegetable life?</p>  | <p>Amount of subsistence which it finds and the enemies with which it has to contend. (130)</p>  |
| <p>26. Is man's means of subsistence limited in the same way?</p>   | <p>No. Because he increases his means of subsistence by harnessing the forces of nature. (130)</p>   |
| <p>27. Does the tendency of vegetable and animal life to press against the limits of space prove the same tendency in human life?</p> | <p>No. Increased subsistence merely tends to increase animal life whereas increased subsistence tends to free man for the gratification of higher desires. (134-137)</p> <p>NOTE: Selections might well be read from these pages.</p>                      |
| <p>28. What is the tendency in the size of families when the struggle for existence is less intense?</p>                              | <p>To be smaller, because independence, leisure, and comfort bring a fuller and more varied life. (138-139)</p>  |
| <p>29. Where do we find the greatest evidences of wealth, in densely populated or sparsely populated communities?</p>                 | <p>In densely populated communities. (143)</p>   |
| <p>30. Does increasing population decrease or increase the power to produce wealth?</p>   | <p>Increase it. A greater number of people can produce a larger proportionate amount of wealth than can a smaller number. (150)</p>  |
| <p>31. Does the increase of population therefore explain why poverty persists amidst advancing wealth?</p>                            | <p>It does not. (150)</p>  |

It is now clear that the cause which, in spite of the enormous increase of productive power, confines the great body of producers to the least share of the product upon which they will consent to live, is not the limitation of capital, nor yet the limitation of the powers of nature which respond to labor. As it is not, therefore, to be found in the laws which bound the production of wealth, it must be sought in the laws which govern distribution. It is to these laws governing the distribution of wealth that we shall turn in our next lesson.

The reading assignment for Lesson IV is Book III, pp. 153-224. You will note the selected reading on the assignment sheet.

NOTE TO INSTRUCTOR: Following this session mail a copy of your enrollment to the National Headquarters of the School. Give the names, addresses and occupations of your students to date. Enrollment blanks for this purpose are furnished by the School.

As a rule it is wise to close registration at this point. Let those who now wish to join the class be listed as advance enrollments for your next class.



LESSON IV

Book III. The Laws of Distribution. Pp. 153-224.

In the second lesson we fixed our economic terms and considered the factors that enter into the production of wealth and the avenues of its distribution. It is obvious that in the factors of production no clue to the cause of poverty can be found. Casual observation is sufficient to indicate that man has shown an increasing mastery of the art of producing wealth.

In our last lesson we found that wages are not paid out of capital, but that each productive laborer produces his own wages, and that increase in the number of laborers should increase the wages of each. We have also found that the return to labor is not limited by the niggardliness of nature.

It would therefore seem that the inability of labor to find employment, or to secure a larger return from its efforts, is due to some maladjustment that can be discovered only in a consideration of the laws governing the distribution of wealth. To them let us turn.

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| 1. What are the three factors in the production of wealth? Define.   | Land, labor, and capital. (156)  |
| 2. What are the three avenues of the distribution of wealth? Define. | Rent, wages, and interest. (162)   |
| 3. What does the word "profits" mean?                                | An amount received in excess of an amount expended. (156)                |
| 4. Why is this term misleading in the study of political economy?    | Because it is indefinite. It may include rent, wages and interest. (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.
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|---|--|
| 5. If the user of the land is also the owner, is there rent?                              | Yes. Whatever might be obtained by letting the land to another is rent. (165)  |
| 6. Rent may be expressed in the selling price of land. How is the selling price computed? | By capitalizing the rent. (166)<br>EXAMPLE: If rent is free of taxation, a site having an annual rent of \$100 will, with 5% interest, sell for \$2,000. |

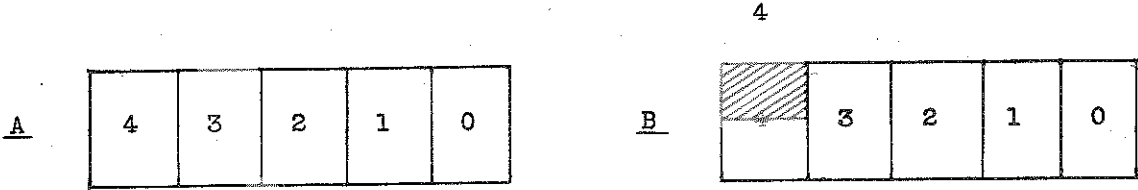
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| 7. Does the rent of land arise from its productiveness?  | No. Rent does not arise from the productivity of land, no matter how great it may be. (166)  |
| 8. When does rent arise?   | When someone is willing to pay for the use of land. (166)  |
| 9. Can any piece of land have a value if there is other land of equal productiveness that can be had without cost? | No. (166)  |
| 10. If we learn what share of production goes for the use of land, how will our inquiry be advanced?               | We can then determine what share is left for wages and interest. (167)   |
| 11. What determines 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. (168)<br><br>NOTE: Demonstrate with chart on following page.  |
| 12. What is the corollary of the law of rent?  | The law of wages (where the division is simply between rent and wages), or the law of wages and interest taken together (where the division is into rent, wages and interest). (171)<br><br>ILLUSTRATION: As Produce = Rent + Wages (+ Interest)<br>Therefore, Produce - Rent = Wages (+ Interest) |
| 13. Are all incomes that are called interest properly so called?   | No. EXAMPLE: Incomes from stocks and bonds that represent capital only in part or not at all. (189-194)  |
| 14. Does capital employ labor, or does labor employ capital?   | Labor employs capital. (195)   |
| 15. Is capital a fixed quantity?   | No. It can be increased or decreased by (1) greater or less application of labor to the production of capital; (2) conversion of wealth into capital, or capital into wealth. (195)  |
| 16. Why may capital be considered as but a form of labor?  | Capital is produced by labor; it is labor impressed upon, stored up in matter, to be released again as needed. (198)   |
| 17. When interest is high as compared to wages, into what form of production will labor tend to be directed?       | The production of capital. (200)   |

BLACKBOARD CHART DEMONSTRATING  
THE LAW OF RENT (QUESTION II, LESSON IV)

Suppose we imagine a new country where land is free and settlers are arriving. Land being of varying degrees of productivity, and men seeking to satisfy their needs with the least expenditure of energy, they will naturally gravitate to the best land first. To establish an index we will show on the chart the best land as 4. The next best land might be 3, 2 and 1 in order. Land that will yield nothing is 0.

NOTE: The figures representing different grades of land are arbitrary; they are only index numbers. Lands of varying degrees of productivity are rarely, if ever, thus sharply marked off from one another, but shade into one another by degrees like the colors in the solar spectrum.

WAGES

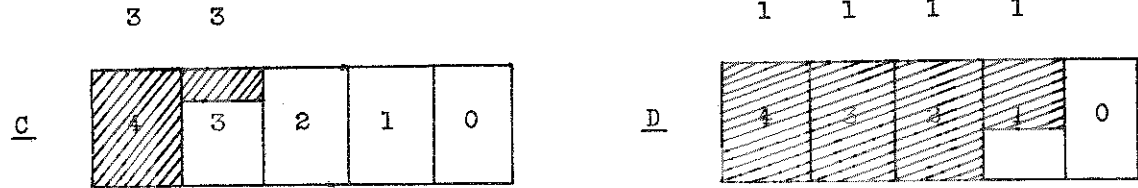


RENT

Represents different grades of land, and what they yield to the same application of labor.

Darkened area represents the first settlers. They settle on the best land, and receive all they produce.

WAGES



RENT

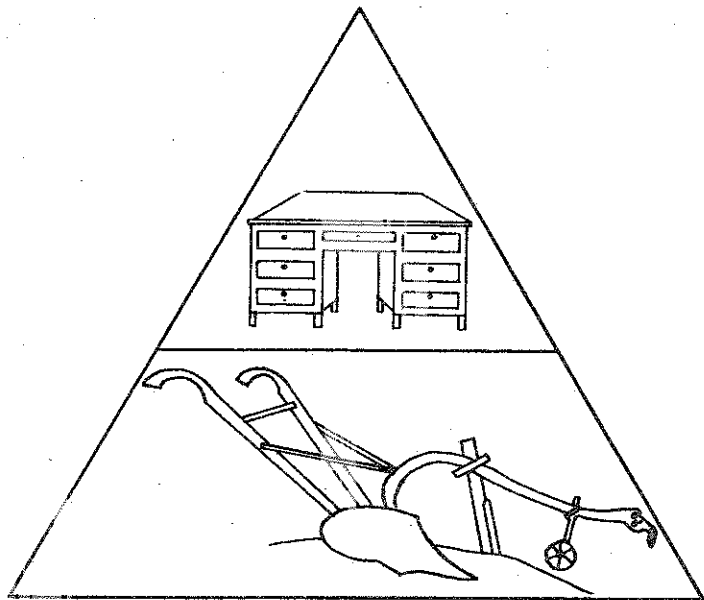
When the best land is all in use, the later settlers are forced to poorer lands and rent enters. What the best land yields above this poorer land is rent. The rent is 1; wages are 3.

All productive land becomes settled and wages become 1. Rent absorbs the rest of the produce. These first four charts show the working of the law of rent and wages in a primitive society.

18. When interest is relatively high what will be the tendency in the use of the existing stock of wealth? To apply the existing stock of wealth to the uses of capital. (200)
19. What maintains a balance between wages and interest? The fact that with an increase or decrease in interest as compared to wages, labor can go into or withdraw from the production of capital, and wealth can be diverted into or away from uses as capital. (198-200)
20. What is the law of interest? The relation between wages and interest is determined by the average power of increase which attaches to capital from its use in reproductive modes. As rent arises, interest will fall as wages fall, or will be determined by the margin of cultivation. (203)
21. What is the fundamental principle of human action? Men seek to gratify their desires with the least exertion. (204)
22. If a man can employ himself what will be the lowest wages for which he will work for others? The wages he can make working for himself. (205)
23. Where land is free and labor is unassisted by capital, what part of the produce will go to labor as wages? All of it. (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? The whole produce less that part necessary to induce the storing up of labor as capital. (213)
25. Where land is subject to ownership and rent arises, what fixes wages? What labor can secure from the highest natural opportunities open to it without the payment of rent. (207 and 213)
26. What may happen to wages when land is all monopolized? Wages may be forced by competition among laborers to the minimum at which laborers will consent to reproduce. (213)
27. What is the margin of production? The highest point of natural productiveness to which labor is free to apply itself without the payment of rent. (207 and 212)
28. What is the 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. (207 and 213)
29. Why is it that we find different wages for different individuals and occupations? Because among individuals are differences of ability and skill, and among occupations there are differences of working conditions, continuity of employment and chances of success. (209-210)

30. What are the primary and fundamental occupations upon which all others are built?

Those which procure wealth directly from nature. (210-212)



SOCIETY AS A PYRAMID

Picturing society as a pyramid, the lower stratum represents those occupations requiring ordinary abilities and skill. These are in the main those primary occupations which procure wealth directly from nature.

The upper stratum represents the occupations that require superior abilities and skill.

The rate of wages in one occupation is always dependent on the rate in another, and so on, down, until the lowest and widest stratum of wages is reached in occupations where the demand is more nearly uniform and in which there is the greatest freedom to engage.

As the wages in such primary occupations depend upon what labor can produce at the margin of cultivation, it is clear that wages as a whole depend on the margin of cultivation - the highest point of natural productivity free of rent.

31. Is the law of wages a law of quantity or a law of proportion?

It is a law of proportion. (216)

32. Why is it that in spite of the increase of productive power, wages do not rise proportionately?

Because rent absorbs an ever increasing share of the wealth produced. (216-222)

In identifying rent as the receiver of the increased production which material progress gives, but which labor fails to obtain; in seeing that the antagonism of interests is not between labor and capital, as is popularly believed, but is in reality between labor and capital on the one side and land ownership on the other, we have reached a conclusion that has most important practical bearings.

But it is not worth while to dwell on them now, for we have not yet fully solved the problem which was at the outset proposed. To say that wages remain low because rent advances is like saying that a steamboat moves because its wheels turn around. The further question is, what causes rent to advance? What is the force or necessity that, as productive power increases, distributes a greater and greater proportion of the produce as rent?

In our next lesson we shall discover the answer to these questions.

The reading assignment for Lesson V is Book IV, pp. 227-260.

REMINDER TO INSTRUCTOR: Have you sent in a copy of your enrollment to the National Headquarters of the School?



LESSON V

Book IV. Effect of Material Progress Upon the Distribution of Wealth. Pp. 227-260.

The general impression even among so-called thinking people the world over seems to be that capital is the culprit that is preventing labor from getting its share of the product. This belief is augmented still further by Marxists pointing to what they choose to call the "failure of Capitalism." The Marxist's error arises from his identifying as capital a factor that has been masquerading as such - namely, land.

The belief that interest is the robber of labor is largely due to the failure to discriminate between profits which are properly interest, and profits derived from other sources than the use of capital.

We therefore emphasize the importance of the previous lessons and ask you to keep in mind at all times the three factors of production and the three avenues of distribution. Remember, too, that whenever rent rises, both interest and wages fall, and that rent rises as material progress advances, thus absorbing an increasing share of the product.

What material progress is and how it operates to increase rent, will be the subject of our investigation in this lesson.

1. What are the elements of material progress?

(1) Increase in population. (2) Improvements in the arts of production. (3) Improvements in knowledge, government and morals. (228)

Since improvements in the arts and improvements in knowledge, government and morals are similar in their economic effects, we shall consider them as one. Our inquiry then reduces itself to ascertaining the effects on the distribution of wealth of an increase in population and an increase in the arts of production.

2. What is the effect of increasing population upon the productive power of labor?

To increase it. 100 men together can produce more than 100 times as much as one man alone. (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?

Wealth being interchangeable, productiveness is not measured in any one thing but in all desired things. (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?

Increase of population increases the productivity of both poorer and superior land. (233)

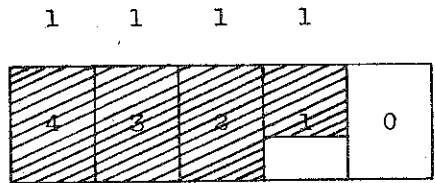
5. What is the effect of increasing population on aggregate production?

To increase it as compared to the aggregate expenditure of labor. (233-234)

6. What is the effect on wages?

To reduce them as a proportion though sometimes to increase them as a quantity. (233-234)

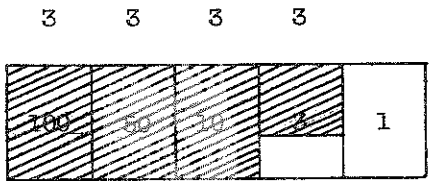
WAGES



RENT 3 2 1 0

This chart shows land taken up by settlers in a primitive society. What the best land yields above the poorest land in use is rent. Wages in this case are 1, rent absorbing the rest of the product.

WAGES



RENT 97 47 7 0

As population increases, centers of exchange become highly productive for the artisan, manufacturer, storekeeper. Wages rise as a quantity over primitive conditions but fall as a proportion.

7. What is the effect on rent?

To increase it. (234)

NOTE: See chart above.

8. Can increasing population raise rent without reducing the margin of cultivation?

Yes, by bringing out superior powers in labor which are localized in land. (234-235)

NOTE: The chart above illustrates this point.

9. Is the increase of rent due to what the landholder as such does?

No - it is due to the increase of population and the consequent increase of productive power attaching to the land. (241)

10. What are the two ways in which increasing population increases rent and tends to reduce wages and interest?

(1) By lowering the margin of cultivation. (2) By increasing the productiveness of land already in use. (242-243)

11. Which is the more important?

Increasing the productiveness of land already in use, particularly land at the centers of population. (241-243)

NOTE: This would be an appropriate time to read all or part of the story of the savannah, pp. 235-240.

12. What is the effect of inventions upon production?	To increase it by enabling (1) the same result to be secured with less labor, or (2) a greater result to be secured with the same labor. (244)
13. What is the effect of increasing productive power in any one industry?	An increase in the production of any one form of wealth increases the demand for wealth in all other forms. (247)
14. Is demand for wealth limited?	No. In each individual, demand rises with his power of getting the things demanded. (245 and 247-249)
15. What are the two primary factors in the production of wealth?	Land and labor. (245 and 249)
16. What is the effect of labor saving improvements upon the demand for land?	To increase it. (245 and 247-249)
17. What then is the effect of labor saving improvements upon the margin of production?	To tend to lower it. (245 and 249)
18. What therefore is the ultimate effect of labor saving improvements?	To tend to increase rent without increasing wages and interest. (246 and 249)
19. If labor saving machinery could completely replace labor what would be the effect on rent and on wages?	Wages would disappear and rent would absorb the whole produce. (253)
20. As material progress increases, and rent advances, what is the tendency of landholders?	To expect further advance of rent and therefore to hold land for a higher price - for speculation. (255)
21. What is the effect of land speculation on the margin of cultivation?	To force it farther than required by the necessities of production. (256)
22. Does the settler in a new country take only the land he can use?	No. He often takes more, holding part of it for speculation. (256)
23. Is all the land in any city fully occupied?	No. City lots are withheld from use in expectation of an advance in land values. (257)
24. What is the effect of speculation in land near the city?	It is held, not at agrarian land prices, but at prospective urban land prices. (257)
25. What is meant by the term "land poor"?	That the landholder is holding land out of use for a price which nobody can profitably pay. (258)

26. Since speculation in land tends to extend the margin of cultivation what is the effect on the distribution of wealth?

To increase rent at the expense of wages and interest. (259)

NOTE: Demonstrate with following charts.

**BLACKBOARD CHARTS SHOWING THE EFFECT OF LAND SPECULATION ON THE DISTRIBUTION OF WEALTH. (QUESTION 26, LESSON V).**

In our previous illustrations we have assumed that the margin was extended only as it became necessary by having in use all superior land. What happens in the settlement of a country is this: The first-comers, knowing that others will follow, take far more land than they themselves can use.

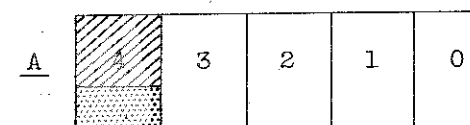
With only a small part of the 4 land actually in use, the remainder is all held on speculation, thus forcing new-comers to extend the margin long before the increase in productive power would make it necessary or advisable. Labor and capital must accept a smaller proportional return.

The process goes on and on. Following the fundamental law that men seek to gratify their desires with the least exertion, land is speculated in whenever it appears possible to make a profit.

Our chart shows what speculation in land actually does:

WAGES

4



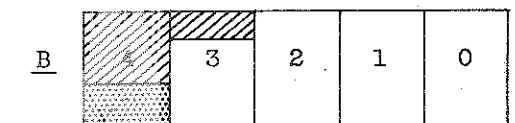
RENT

0

The first settlers take more land than they can use.

WAGES

3 3



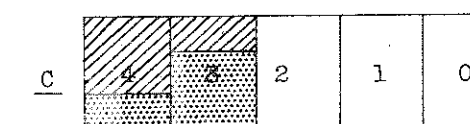
RENT

1 0

Thus the next settlers are forced to poorer land much sooner than they would be under normal conditions.

WAGES

3 3



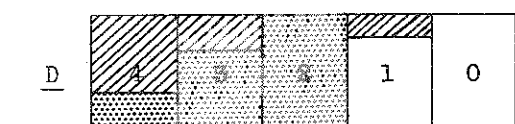
RENT

1 0

These next settlers appropriate in turn more than they can use.

WAGES

1 1 (1) 1

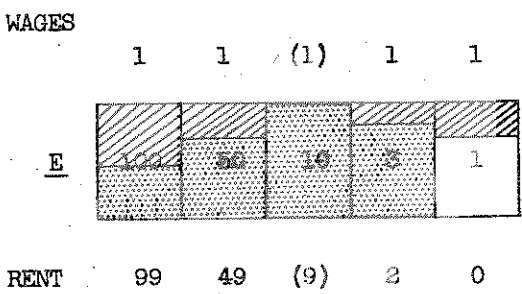


RENT

3 2 (1) 0

And so the following settlers are forced out still further.

160 53:56



Society as it actually exists today. Due to improvements, the productivity of land is greatly increased, but land owners get the benefit. Wages on the best land are the same as wages on the poorest land in use.

NOTE: The shaded area represents the land that is used, and the dotted area represents the land that is held out of use for speculation. The index numbers that represent wages also include interest.

27. What is the cause that limits speculation in commodities?

The tendency of increasing price to draw forth additional supplies. (260)
28. Does this cause limit land speculation?

No, because land is a fixed quantity which human agency can neither increase nor diminish. (260)
29. What is the limit to the speculative advance of rent?

The lowest wages at which laborers will consent to work and the lowest interest at which capital will be devoted to production. (260)
30. Why does rent advance faster in newer and rapidly growing communities than in older and more settled ones?

Because in older and more settled communities, wages and interest are already near the minimum and further appreciable advances in rent would make it impossible for labor and capital to survive. (260).

This brings us to an examination of the cause of recurring industrial depressions - seasons in which labor and capital for some reason come to a standstill in the production of wealth. This is the subject of our next lesson.

The reading assignment for Lesson VI is Books V and VI, pp. 263-330.

LESSON VI

Book V. The Problem Solved. Pp. 263-296.  
Book VI. The Remedy. Pp. 299-330.

In Lesson V we found that no fundamental antagonism of interests exists between labor and capital, but that the strife is really between labor and capital on the one side and the present institution of land ownership that permits the private appropriation of rent on the other.

We also found that advances in the arts and sciences, higher and better educational facilities, improvements in government and higher moral standards all tend to increase land values quite as much as does the increase of population.

We have seen that the benefits of all such advances accrue to landholders as rent rather than to labor and capital as wages and interest.

One reason this fact does not find easy acceptance is because most people do not make the distinction between mere land and land values. They recall investments in land that have not been profitable and at once conclude that the line of reasoning followed in this study must be fallacious because their own speculation in land has not yielded the expected return.

Since their undertaking yielded no profit to themselves, they believe it could therefore have had no detrimental effect upon the community! Since they have received nothing they fail to see wherein they or the system have deprived others of their rights!

The tremendous general increase of the value of land, however, is proof that individual losses are exceptions to the general rule.

In this lesson we shall examine the effect of the speculative advance of land values and consider the primary cause of periodical depressions.

1. What is the effect of land speculation on the margin of cultivation?

To press it beyond its normal limit. (264)
2. What is the effect of land speculation on labor and capital?

To compel labor and capital to accept a smaller return. (264)
3. What happens when wages and interest fall below the accustomed returns to labor and capital?

Production begins to stop. (264)



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| 4. What is an industrial depression?  | A stoppage of production. (264)   |
| 5. When is normal production resumed? Name the three possible conditions.           | (1) When the speculative advance in rent has been lost. (2) When increase of population or technological advances enable the normal rent line to overtake the speculative rent line. (3) When labor and capital are reconciled to smaller returns. (265)<br><br>NOTE: Any one, two or all three of these conditions may make possible resumed production. |
| 6. What is the over-production theory?  | Speculation has increased production beyond the demand for consumption thus bringing on a depression. (266)   |
| 7. What is the over-consumption theory?   | Speculation has caused extravagance beyond the means of the people and the resulting depression is merely a period of retrenchment. (266)   |
| 8. What is wrong with these explanations for industrial depression?                 | There cannot be over-production or over-consumption when people are in want and willing to exchange their labor for the labor of others. (267)  |
| 9. What is the effect of speculation in the products of labor?                      | Speculation in the products of labor simply raises the price until production is stimulated, which tends to lower the price again. (267)  |
| 10. Why is speculation in land different from speculation in the products of labor? | Land is a fixed quantity. Speculation in land cannot stimulate the production of more land, by raising the price. (268)   |
| 11. What is trade?  | The exchange of commodities for commodities. (268)  |
| 12. If demand for some commodities declines what does this indicate?                | Desire remaining, this indicates that other commodities for which these would be exchanged have ceased to be produced. (268)  |
| 13. What is the result of a cessation of demand?                                    | A cessation of production. (269)  |
| 14. Where does all production begin?  | On the land. The primary and fundamental occupations, which create a demand for all others, are those which extract wealth from nature. (269)   |
| 15. What then is the effect of the increase of rent through speculation in land?    | The checking of production by a lock-out of labor and capital by land owners. This check to production, beginning at the basis of interlaced industry, propagates itself from exchange point to exchange point, cessation of supply becoming failure of demand, until unemployment is widespread. (270)   |
| 16. Where can labor always find employment?   | On the land. To produce wealth labor needs only to have access to the materials and forces of nature. (271-272)   |

*Read: p 264 middle to 265 middle.*

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

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| 17. Can there be industrial depression if labor and capital have ready access to land?  | No. If present unemployed men and idle capital were producing wealth from land, they would be creating effective demand for articles and services produced everywhere. (273)   |
| 18. When labor and capital adjust themselves to lower returns, and industrial activity is resumed, what is the effect on land values? | Land values rise, there is a general renewal of land speculation, and a new depression is on its way. (281)  |
| 19. Are depressions any different from the general problem of poverty?  | No. They are merely intensifications of the general tendency to poverty persisting with material progress. (281)   |
| 20. Why does poverty persist in spite of increased productive power?  | Every increase in productive power tends to increase rent and decrease wages. (282)<br><i>Read P in italics</i>  |
| 21. What is the effect of advancing civilization - on production?   | To increase the productive power of labor. (283)   |
| 22. Why do not wages increase with the greater productive power of labor?   | Because rent absorbs this increase. (283)  |
| 23. What is the effect of advancing civilization - on labor?  | To reduce the wages of labor to the level of mere existence - or slavery. (283-284)  |
| 24. Why is it that where land values are high poverty and pauperism appear?   | Land being treated as private property, large revenues are extorted from the earnings of labor for its use. (288)<br><i>Read: p 283 to 286 middle?</i>   |
| 25. What is the cause of inequality in the distribution of wealth?  | Inequality in the ownership of land. Possession of land is thus the base of aristocracy, the foundation of great fortunes, the source of power. (295-296)  |
| 26. Would economy in government, or reduced taxes, increase wages?  | No. The owners of land would ultimately reap the whole benefit, as in the case of an increase of productive power. (301-303)   |
| 27. Can skill, industry or thrift increase the general level of wages?  | No. These qualities can increase the individual's wages only so long as they are above the average. As these qualities become widespread the tendency is to increase rent. (303-310)                                       |
| 28. Can combinations of workmen increase the general level of wages?  | No. Any advance in wages, above the normal rate, secured by a group must tend to be reduced to the normal by (1) reduction in demand for the products of that group, and (2) increase of laborers in that group. (312-313) |

*Read: p 271 to 272 middle.*

29. During a strike what happens to capital - to labor - to land? Capital wastes. Laborers starve. Landholders wait. (313)
30. A strike therefore is a struggle between what two groups? The laborers on the one side and land owners on the other. (313-314)
- NOTE: Employers must get an average return on capital or stop producing. Therefore they cannot give much higher wages except out of a reduction of rent. A strike for higher wages can therefore only be successful if land owners reduce rent.
31. Why cannot even a general strike succeed in raising wages? The endurance of laborers when they stop producing is limited while land owners can wait indefinitely. (314-316)
32. With land monopolized, can cooperative enterprises raise wages? Any advantages to labor resulting from these enterprises tend merely to increase rent. (316-319)
33. Would the division of land into small units raise wages? No. It would merely increase the number of land owners without reducing rent or improving the condition of the landless class. (321-327)
34. What is the true remedy for the unequal distribution of wealth? We must make land common property. (328)
- Read: p. 328 to 330.*

"We have reached this conclusion by an examination in which every step has been proved and secured. In the chain of reasoning no link is wanting and no link is weak. Deduction and induction have brought us to the same truth - that the unequal ownership of land necessitates the unequal distribution of wealth. And as in the nature of things unequal ownership of land is inseparable from the recognition of individual property in land, it necessarily follows that the only remedy for the unjust distribution of wealth is in making land common property."

In meeting practical objections to this remedy "we shall bring our previous reasoning to a new and crucial test. Just as we try addition by subtraction and multiplication by division, so may we, by testing the sufficiency of the remedy, prove the correctness of our conclusions as to the cause of the evil.

"The laws of the universe are harmonious. And if the remedy to which we have been led is the true one, it must be consistent with justice; it must be practicable of application; it must accord with the tendencies of social development and must harmonize with other reforms."

All this Henry George proposes to show. He proposes "to meet all practical objections that can be raised, and to show that this simple

measure is not only easy of application; but that it is a sufficient remedy for all the evils which, as modern progress goes on, arise from the greater and greater inequality in the distribution of wealth - that it will substitute equality for inequality, plenty for want, justice for injustice; social strength for social weakness, and will open the way to grander and nobler advances of civilization."

When it is proposed to abolish private property in land, however, the first question that will arise is that of justice. Consequently in our next lesson we shall consider the justice of the remedy and in the following lesson the practical application of the remedy.

The reading assignment for Lesson VII is Book VII, pp. 333-394.

## LESSON VII

Book VII. Justice of the Remedy. Pp. 333-394.

In our previous lessons we have examined the cause of industrial depressions and of the persistence of poverty amid advancing wealth believing that the only way to remove an evil is to discover and remove its cause.

We have seen that the unequal ownership of land necessitates the unequal distribution of wealth. Since the benefits of material progress will accrue to land owners as rent so long as land is privately owned, we have agreed that it is necessary to make land common property.

This conclusion will arouse most bitter antagonism and meet with almost insurmountable objections in the minds of many serious and well-meaning people. This antagonism is based upon a deep-seated feeling, namely, that the enjoyment of the home and the success of industry depend upon the private ownership of land.

Whether this antagonism is justified by the facts or not we shall see in this lesson, for our remedy must not only be theoretically sound and practicable of application, but it must be based upon justice.

In order to determine the justice or injustice of making land common property, let us first determine the rightful basis of property.

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| 1. What constitutes the rightful basis of property?  | As a man belongs to himself, so his labor when put in concrete form belongs to him. The exertion of labor in production is the only title to exclusive possession. (334-336)                               |
| 2. Is private property in land in accordance with the rightful basis of property?                      | No. (1) Land is not the product of labor. (2) When non-producers can claim as rent a portion of the wealth made by producers, the right of the producers to the fruits of their labor is denied. (336-341) |
| 3. What economic elements are included in the legal term real estate?                                  | Land (the site) and wealth (the improvements). (337)   |
| 4. How does the term real estate lead to confusion in determining the rightful basis of property?      | By failing to distinguish between things produced by labor and things gratuitously offered by nature. (337)  |
| 5. If only labor products were recognized as private property how would economic equality be affected? | Men would be placed on equal terms. Land not being a labor product would be treated as common property. All would have equal opportunity to produce and to enjoy the product of their labor. (338)         |

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| 6. To what fundamental wrong have we traced the unjust distribution of wealth?   | The private ownership of land - which gives landholders the power to appropriate the product of the labor of those who use land and who must pay rent for permission to labor. (340-342)   |
| 7. Is there any justification for the private ownership of land?   | No. From this fundamental injustice flow all the injustices which distort and endanger modern development - poverty, unemployment, depression. (340-342)<br><br>NOTE: Here let the student clear up any doubts that may lurk in his mind.  |
| 8. What is the origin of land titles?  | Force and fraud. (342)<br><br>EXAMPLES: In England titles go back to Norman conquerors. In Eastern States they go back to treaties with Indians and grants from English Kings.   |
| 9. How do titles to wealth differ from titles to land?   | With products of labor a clear title can be traced to those who produced them. There can be no such title to land. (343)   |
| 10. Is it the absolute or the relative capability of land that determines its value?                                     | Relative capability. The value of land always measures the difference between it and the best land that may be had free of rent. (343-344)   |
| 11. How can the individual satisfy the equal rights of others to the land he holds?                                      | Rent expresses the exact amount which the individual should pay to the community to satisfy the equal rights of others. (344)  |
| 12. Would collection of rent for the community disturb the fixity of tenure which is necessary for improvement?          | No. Undisturbed possession of the land may be conceded if rent is taken for the benefit of the community. (344)  |
| 13. Does priority of occupation give a valid claim for exclusive and perpetual title to land?                            | No. All men of each generation have equal right to land. (344-345)<br><br>ANALOGIES: The first comer at a banquet does not have exclusive right to the food. The first passenger on a train does not have the right to scatter baggage over all the seats and to keep others standing. |
| 14. What is the basis of nobility, aristocracy and power over the people?  | Private ownership of land on which people must live. (351)   |
| 15. What is the essence of slavery?  | To take from the laborer all he produces save enough to support an animal existence. (353)   |
| 16. In their ultimate effects, is there any essential difference between the ownership of land and the ownership of men? | There is not. Land ownership leads to virtual slavery. Whatever be the increase of productive power, rent steadily tends to swallow up the gain and more than the gain. (353)  |



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| 17. In some ways, how is the condition of the chattel slave better than that of free labor under private ownership of land?   | The softening influence of direct responsibility of master to slave mitigates the evils of chattel slavery. (353)   |
| 18. So long as one man can claim the exclusive ownership of land, can slavery really be abolished?  | No. Private ownership of land from which other men must live necessarily involves slavery - which must grow and deepen as material progress goes on. (357)                              |
| 19. Would compensation to land owners be just to all the people?  | It would not. It would merely be to raise for land owners by taxation the same proportion of the earnings of labor and capital that they are now able to appropriate in rent. (360-361) |
| 20. What is the difference between the robbery of rent and the robbery of an automobile or a sum of money.  | The latter ceases with the act. The former is fresh, continuous robbery that goes on every day and every hour. (364)  |
| 21. When a deed to land is found to be invalid, does the common law provide compensation to the innocent purchaser?   | No. The law, formulated by the owners of land, gives the innocent purchaser of a wrongful title no claim, allows him no compensation. (366)   |
| 22. How does the common law treat the improvements made by the innocent purchaser of a defective land title?  | The common law takes from the innocent purchaser all the improvements which he has in good faith made upon the land. (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? | No. The landholder could retain all his improvements and personal property in secure possession. (367)  |
| 24. Did the idea of private property in land always prevail?  | No. Wherever we can trace the early history of society, whether in Asia, in Europe, in Africa, in America, or in Polynesia, land has been considered as common property. (370)          |
| 25. What are the causes that led to the general acceptance of the idea of private property in land?   | The concentration of power; the effect of conquest; the differentiation and influence of a sacerdotal class; the influence of lawyers. (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?                             | The fact that land was cheap in the United States. (390)  |

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| 27. What must we do if we would establish a real republic, if we would abolish real slavery in the United States? | Abolish private property in land. (394) |
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"We did not establish the republic when, in the face of principalities and powers, we flung the declaration of the inalienable rights of man; we shall never establish the republic until we practically carry out that declaration by securing to the poorest child born among us an equal right to his native soil!

"We did not abolish slavery when we ratified the Fourteenth Amendment; to abolish slavery we must abolish private property in land! Unless we come back to first principles, unless we recognize natural perceptions of equity, unless we acknowledge the equal right of all to land, our free institutions will be in vain; our common schools will be in vain; our discoveries and inventions will but add to the force that presses the masses down!"

Why hesitate? Ye are full-bearded men,  
With God-implanted will, and courage if  
Ye dare but show it. Never yet was will  
But found some way or means to work it out,  
Nor e'er did Fortune frown on him who dared.  
Shall we in presence of this grievous wrong,  
In this supremest moment of all time,  
Stand trembling, cowering, when with one bold stroke  
These groaning millions might be ever free? --  
And that one stroke so just, so greatly good,  
So level with the happiness of man,  
That all the angels will applaud the deed.

- E. R. Taylor.

We have seen in this lesson that on the ground of equity there is nothing to deter us from making land common property. But a question of method remains. How shall we do it? The answer to this question will unfold to us as we consider the subject of the next lesson - the practical application of the remedy.

The reading assignment for Lesson VIII is Book VIII, pp. 397-429.

## LESSON VIII

## Book VIII. Application of the Remedy. 397-429.

In the previous lesson we determined what constitutes the rightful basis of property, namely, the right of man to himself, his right to enjoy that which he produces.

We find no such basis however for the claim to ownership of land. Furthermore to admit the right to private ownership of land is to deny man's right to himself and to the produce of his labor, for the private ownership of land gives the individual owner the power to appropriate the produce of another.

Human labor gives the right and title to the thing produced. The ownership of land gives but the power to appropriate the produce of others.

It has been said that ownership of land is necessary, otherwise there would be no incentive to improve that which a man wishes to call his land. In this lesson we wish to consider whether or not this is true and just how the treatment of land as private property does affect its best use.

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| 1. Why do men build and sow?  | To possess buildings and to reap crops. (398)   |
| 2. What security does a man require to warrant his building upon or cultivating land?                         | Security of possession of the products of his labor. (398)  |
| 3. Is private ownership of land necessary to encourage the erection of buildings and the cultivation of land? | It is not. The use of leased land for building and agriculture prevails everywhere to a greater or less extent. (399-400) |
| 4. How does the treatment of land as private property stand in the way of its proper use?                     | The individual owner is permitted to prevent others from using what he cannot or will not use or improve himself. (401)   |
| 5. If land were treated as common property when would it be used?   | As soon as there was a need for it. (401)   |
| 6. What then is the surest method of securing the best use of land?   | To abolish private property in land. (402)  |

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| 7. What social evils have we traced to private property in land?   | Unemployment. Industrial depression. Low wages. (403)   |
| 8. In working out a method for abolishing private property in land, what right must be guarded?  | The private right to improvements. (403)  |
| 9. What methods might be employed to abolish private ownership of land?  | (1) Public purchase? (2) Confiscation of titles. (3) Confiscation of rent. (405)  |
| 10. Would there be any injustice the public purchase of land?  | Yes. Payment to landholders would be at the expense of laborers and capitalists. (405)  |
| 11. Would it be necessary to confiscate titles?  | No. It is only necessary to confiscate rent. (405)  |
| 12. What is the practical method for abolishing private property in land?  | To appropriate rent by taxation and abolish all taxes on labor and capital, i.e., to abolish all taxation save that on land values. (405-406)   |
| 13. Would the public appropriation of rent be an additional tax burden upon the people?  | No, for appropriation of rent would be substituted for all taxes now imposed on labor and capital. (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? | In every civilized country the value of land taken as a whole is sufficient to bear the entire expenses of government. (406)<br><i>Read p 405-407 incl.</i>   |
| 15. What are the standards (the canons of taxation) to which taxation should conform?  | Taxation should (1) bear as lightly as possible upon production, (2) be easily and cheaply collected, (3) be certain, and (4) bear equally. (408)   |
| 16. What effect does the taxation of labor and capital have upon production?   | It hampers production, checks manufacturing, lessens improvements. (409)  |
| 17. What effect would the public appropriation of rent have upon production?   | It would stimulate production by opening new opportunities to labor and capital and by freeing them from restrictive taxation. (413)  |
| 18. What tax is the easiest and cheapest to collect?   | A tax on land values, for land cannot be hidden or carried off and its value can be readily ascertained. The assessment made, nothing but a receiver is required for collection. (414-415)  |
| 19. How does the taxation of labor products affect their price?  | The taxation of labor products increases their price by increasing the cost of production and checking supply. (415-416)<br><br>EXAMPLE: If we impose a tax upon buildings, the users of buildings must finally pay it, for the erection of buildings will cease until building rents become high enough to pay the regular profit and the tax besides. |

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| 20. Does a tax on land values increase the price of land?   | No. Though a tax on rent compels the land owners to pay more, it gives them no power to obtain more for the use of their land. A tax on land values tends to increase the competition between owners and thus to reduce the price of land. (416)                          |
| 21. Can a tax on land values be shifted and thus increase the price of labor products?  | No. The landholder can charge no more for the land because of the tax upon it, just as he will charge no less if the tax is reduced. (416)  |
| 22. What tax can be collected with greatest certainty?  | The tax on land values because land cannot be moved or concealed and its value can be easily determined. (416)  |
| 23. What tax is the most just and equal of all taxes?   | The tax on land values because it takes for the community only that value which is the creation of the community, leaving to the individual all that he fairly earns. (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? | No. If it discourages production to tax values which labor and capital have intimately combined with that of land, how much greater discouragement is involved in taxing not only these but also the clearly distinguishable values which labor and capital create. (425) |
| 25. Were all buildings and improvements on a given site destroyed by fire, would that destroy the value in the land?                              | It would not, and would show that the value of land is apart from the value of improvements. (425)  |
| 26. Will the taxation of land values tend to increase or decrease the number of landholders?  | The division of land now held on speculation would greatly increase the number of landholders. (427)  |
| 27. Is public spirit best fostered by the taxation of labor products or of land values?   | The taxation of land values, for this will give every man a stake in the community and not just a "consciousness of paying taxes". (427)  |
| 28. Why is there so great an opposition to a tax on land values and comparatively so little to almost all other taxes?                            | Because the landholders constitute a powerful interest which opposes a land value tax while there is no general or concerted opposition to other taxes. (427-429)   |

"But", in the words of Henry George, "if once the truth which I am trying to make clear is understood by the masses, it is easy to see how a union of political forces strong enough to carry it into practice become possible."

In our next lesson we shall consider what the effects of this remedy would be upon the production and distribution of wealth, upon individuals and classes, and upon social organization and social life.

The reading assignment for Lesson IX is Book IX, pp. 433-472.

NOTE TO INSTRUCTOR: Prepare now for the opening of your next class in Progress and Poverty. Send your order to National Headquarters, or arrange with your local extension secretary, for such printed announcements and classroom helps as you may need.

Announce your next class to your present students. They will want their friends to take this course.

Bring a supply of Prospective Students Sheets to the next session and take five minutes of the class time for your students to list the names and addresses of people they think might be interested.

NOTE TO INSTRUCTOR: Some time during this lesson, take five minutes of the class time, free of discussion, for your students to list the names and addresses of prospective students.

### LESSON IX

Book IX. Effects of the Remedy. Pp. 433-472.

Step by step we have proven with Henry George that the evils attendant on poverty and depressions are traceable to private property in land which permits valuable land sites and natural resources to be withheld from use. We have also become acquainted with the remedy - to collect the rent of land and devote it to public use, at the same time abolishing all taxes on labor and capital.

It remains now to take account of some of the benefits that would accrue and to find that the inquiry that has led to the clearest and most equitable definition of the rights of property has also given us a theory of the law of human progress which is equally valid.

Let us consider first, however, some of the effects of Henry George's proposal. We shall then see how completely he has fulfilled the purpose for which he wrote this book.

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| 1. What effect would removing taxes from labor and capital have on production?                       | With all the burdens removed which now oppress industry and hamper exchange, the production of wealth would go on with a rapidity now undreamed of. (433-435)                |
| 2. How would increased production benefit the community?   | Not only would wages and interest increase as the reward of individual producers, but there would be an increase of rent which could be taken for public purposes. (435-436) |
| 3. What effect would taxing land values have on land speculation?                                    | Land speculation being unprofitable would receive its death blow. No one would care to hold land unless to use it. (436)   |
| 4. What would be the effect on the selling price of land?  | It would fall. (436)   |
| 5. What effect would the elimination of land speculation have on production?                         | Production would increase. Enormous areas now held out of use by high prices would be available to producers. (436-437)  |
| 6. In taxing land values, would a given piece of land be taxed the same whether it was used or idle? | Yes. Whoever planted an orchard or built a house or a factory would pay no more than if he kept so much land idle. (437)   |

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| 7. What effect would opening new opportunities have upon competition between laborers? | Instead of laborers competing with each other for jobs, employers would everywhere be competing for laborers. (438)                 |
| 8. What would be the effect on wages?  | Instead of wages being forced down, they would rise to the fair earnings of labor. (438)  |
| 9. Could there be unemployment and depressions?  | No. With natural opportunities free and with production exempt from taxation, every wheel of industry would be set in motion. (439) |

Let us turn now to the effect of the remedy upon the distribution of wealth.

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| 10. Why is it that as civilization advances there is a tendency to a greater and greater inequality in the distribution of wealth?                                      | The private ownership of land gives to landholders a greater and greater power of appropriating the wealth produced. (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? | Labor and capital would receive the whole of the produce minus rent which, being applied to public purposes, would be equally distributed in public benefits. (440-441)   |
| 12. With this remedy in effect, who would ultimately receive this rent?   | All the people. Thus rent, instead of causing inequality, as now, would then promote equality. (440)  |
| 13. What would then be the result of material progress?   | The condition of the masses would constantly improve. That part of the benefit of increased production which did not go directly to increase the reward of labor and capital would go to the whole community. (441-442) |
| 14. What effect would the increase of wages have on the efficiency of labor?  | Efficiency would increase. Poorly paid labor is inefficient labor the world over. (444)   |
| 15. What effect would the increase of wages and interest have on invention?   | Invention would be stimulated and improve the condition of all. (445)   |
| 16. Would those whose interests as wage earners and capitalists exceed their interests as land owners, lose by the public appropriation of rent?                        | No. All laborers and capitalists will gain from the higher returns to wealth producers, while those who own land will lose only the privilege of appropriating rent. (447 and 452)                                      |



17. How would the home owner fare? The selling value of his lot will diminish but not its usefulness and other lots will be available on the same terms. He will be released from taxes on his house and personal property and all that he buys. He will gain with all men in the rise of wages and increased prosperity. (448)
18. Would the working farmers lose? No. Working farmers would gain by removal of all taxes on improvements, personal property and purchases. Only farm land speculators would lose. Sparsely settled farm districts would have practically no taxes to pay. (450)
19. What effect would the destruction of land speculation have on the distribution of population? Population would tend to diffuse where it is too dense, and to concentrate where it is too sparse. (451)
20. What is meant by the "equal distribution" of wealth? Not that each individual would get the same amount of wealth, but that each would receive in accordance with his production. (453)
21. With monopoly of land gone, would there need be fear of great fortunes? No. The riches of the individual must then consist only of wealth - the product of labor. When every man gets what he fairly earns no one can get more than he fairly earns. (453)
22. Would the proposed change simplify or complicate government? Government would be greatly simplified. It would become the agency by which the common property was administered for the common benefit, without repression. (454-456)
23. What would be the effect on criminal classes? The rise of wages and opening of opportunities would soon eliminate the thieves, swindlers and other criminals who spring from the unequal distribution of wealth. (455)
24. What makes the rich man loath to part with his money? The fear of poverty. The sense of power and influence. The desire to serve not only himself but others with his money. (457-461)
25. If land were free would men worry about employment? No more than about finding the air to breathe. (461)
26. Is self-interest the strongest motive of human action? No. "All that a man hath will he give for his life" - that is self-interest. But in loyalty to higher impulses men will give even life. The lust for gain springs but from the fear of want. (462-463)
27. With want abolished, what would be the attitude of man toward man? Cooperation would replace greed and selfishness. (464-465)
28. If want were banished, would desire remain? Yes. Man is the unsatisfied animal. (466)
29. Is all the work which improves the condition of mankind done to secure a living? The greatest contributions to mankind have not been the result of necessity. If want were banished, work of this sort would increase. (468)

30. What is the greatest waste of society today? The waste of mental power. (469)
31. Are the differences in mental power greater than in physical stature? One may be inclined to think not. When circumstances favor his development, what otherwise might pass for a common man rises into a hero or leader, discoverer or teacher, sage or saint. (469)
32. What is the influence of environment? Conditions go far toward shaping the life of the individual. How little does heredity count in comparison? (470)
- EXAMPLE: Place a Caucasian infant in the heart of China and it will grow up like those around him in all but physical appearance. He will use the same speech, think the same thoughts, exhibit the same tastes.
33. Would the public appropriation of rent benefit everyone - even the greatest landholder? Yes. Consider the possibilities of a social state that gave opportunity to all. Consider how in the present condition of things even the fortunate few must suffer, though they may not know it, from the want, ignorance, and degradation underneath. (471)

*Read 457-463: Part IX Chapter 4*

We have now traced to their source social weakness and disease. We have seen the remedy. But the problems that we have been considering, great as they are, pass into problems greater yet - into the grandest problems with which the human mind can grapple.

The assignment for our next and last lesson will take us into these higher fields. But we must remember that in the few remaining pages of our text and in the brief period of our next meeting we can do no more than touch upon the questions which will arise. Nevertheless the thoughts suggested will serve as hints for further thought long after this course is completed.

The assignment for Lesson X is Book X, pp. 475-552, and the Conclusion, pp. 555-565.

NOTE TO INSTRUCTOR: Send the names of your graduates to National Headquarters. You will then receive certificates for awarding at the closing session next week or at such special exercises as may be planned. Attendance at seven of the ten sessions is the minimum requirement for awarding of the certificate.

A number of your graduates may be interested in organizing and teaching classes of their own. Suggest this to those you think would make suitable instructors of this course. The National Headquarters will cooperate with any of your graduates wishing to start classes.

Write for an outline of the Teachers Training Course and for information about other courses open only to graduates.

## LESSON X

Book X. The Law of Human Progress. Pp. 475-552.

Conclusion. The Problem of Individual Life. Pp. 555-565.

NOTE TO INSTRUCTOR: In this lesson the teacher can hardly hope to bring out by the question and answer method the depth and beauty of Henry George's ideas. Indeed, unless the student has a natural propensity for the abstract concept of liberty, it is doubtful whether any pedagogic method can give him a complete understanding of the philosophy of Henry George. This is a difficult lesson to teach. It contains a message that must be felt as well as understood.

The re-reading of the text by the teacher (no matter how often he has read it before) is necessary for the proper presentation of the subject.

The object of our inquiry was to find in the field of political economy the cause for the persistence of poverty amid the increasing production of wealth.

By an analysis of the fundamental and immutable laws of political economy we traced this cause to the private ownership of land. In the course of this inquiry we investigated other theories advanced as the explanation for the phenomenon of persisting poverty, and by both logical processes and a consideration of obvious facts, found them fallacious.

Then, we engaged in a study of the method suggested by Henry George for the restoration of common ownership in land. This deviation from the field of political economy to that of ethics followed logically; for it is obviously of no value to understand the cause of a maladjustment unless a cure for it can be found.

The method suggested by Henry George is to socialize the rent of land and to abolish all taxes on labor values. This we found not only to be in agreement with our accepted concept of justice, but also an efficacious method for stimulating the production of wealth and assuring mankind of an equitable distribution of wealth.

Perhaps here our study should end. But Henry George chooses rather to delve into the field of human progress, to find the law which determines the advance of civilization, and to open the vista to the kind of society that would prevail were the forces which tend to entrench and increase involuntary poverty destroyed. These last pages contain not only the culmination of the logic of all that has gone before, but also a social philosophy which stamps Henry George as more than an economist and a reformer. Here he is a prophet.

In beginning this inquiry however it is well to remember that we are entering domains of thought that have been entered by few and thoroughly explored by none - that we, as well as Henry George, are pioneers on or beyond the usual intellectual horizons. The book, we must remember, was written in 1879, and in the two generations since then there have been great additions to our knowledge of man's past. And yet it seems as true now as when Henry George wrote it that, far and wide and deep as we may search for the origin of man, he was still, wherever we find him, man. "They were even as we are".

We may infer that man has evolved from lower forms of life - but the famous "missing link" that would connect him with lower forms remains missing. When, where and how he bridged the gulf that separates him from other animals; when, where and how he acquired that divine spark that makes him the planning and contriving animal and that has opened to him avenues for "progression away from and above the beast" no scientist has yet told us.

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| 1. What one characteristic differentiates man from all other animals? | The power of improvement. (476)  |
| 2. How is man's power of improvement manifested?                      | In civilization. Men improve as they become civilized, or learn to cooperate in society. (477) |

The law of human progress to which this inquiry is intended to lead us, is the law which determines the degree of this improvement of men in society, or how civilizations advance and decline, and why.

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| 3. What is a common explanation for the progress of civilization?  | That the struggle for existence impels men to new efforts and inventions; that only the best fitted individuals and social groups survive; and, that hereditary transmission fixes these advances and makes them the footing for new advances. (478-480)                   |
| 4. According to this theory does civilization advance because of any conscious effort of man?                        | No. Progress is the result of evolutionary forces that work remorselessly and steadily. (480)  |
| 5. Is the march of civilization constant and continuous?   | No. We know of civilizations which advanced to a very high degree and there disintegrated and disappeared. The earth is the tomb of dead empires. The barbarians of one epoch become the civilized men of the next, to be in turn succeeded by fresh barbarians. (482-485) |
| 6. What conditions in each arrested civilization seem to indicate the cause for its being overwhelmed by barbarians? | The vices, corruptions and enervations of civilization - internal decay. (487)   |

7. Must there be a limit to national or race life, just as there is to an individual life?  
No, this does not follow. So long as its members are constantly reproduced in the fresh vigor of childhood, a community cannot grow old, as does a man, by the decay of its powers. (487-488)
8. Where must we look for the causes which in every civilization has brought progress to a halt?  
In the conditions produced by the growth of civilization itself. (488)

To discover the law of human progress, which explains the fluctuations of civilization, we must first determine the essential nature of those differences which we describe as differences in civilization. For, if we ascertain the influences which cause degrees or kinds of civilization, we shall probably find the fundamental law of civilization itself, i.e., the law of human progress.

9. Are differences in language, religion, habits of living and of thought transmitted at birth or acquired from environment?  
Acquired from environment. These are matters of education and habit, not of hereditary transmission. (489-490)
10. Are paupers and criminals born paupers and criminals?  
No. Paupers will raise paupers, even if the children are not their own, just as familiar contact with criminals will make criminals of the children of virtuous parents. (492)
11. What determines national character?  
The body of traditions, beliefs, customs, laws, habits and associations which arises in every community and which surrounds every individual - this is the great element in determining national character. (494)
12. Are the differences between men in different states of society due to the influence of heredity or of environment?  
The influence of heredity is as nothing compared to the influences which mold the man after he comes into the world. (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?  
Differences in society. Human progress goes on as the advances of one generation are secured as the common property of the next, and made the starting point for new advances. (504-505)
14. What are the incentives to human progress?  
The desires inherent in human nature - desires that short of infinity can never be satisfied since they grow by what they feed on. (506)
15. What is the motor of human progress?  
Mental power which is devoted to the extension of knowledge, the improvement of methods, and the betterment of social conditions. (507)

16. Is mental power a fixed quantity?  
Yes. There is a limit to the work a man can do with his mind, as there is to the work he can do with his body. (507)
17. What determines the amount of mental power devoted to improvement?  
What is left after what is required for non-progressive purposes - maintenance and conflict. (507)
18. What is the first essential of progress?  
Association which permits division of labor, greater production, and freeing of mental power for higher uses. (508)
19. What is the second essential of progress?  
Equality (or justice) which lessens wasteful expenditure of mental power in conflict. (508)
20. What is the law of human progress?  
Association in equality. Men tend to progress just as they come closer together, and by cooperation with each other increase the mental power that may be devoted to improvement. (508)
21. What tends to reverse progress?  
The development of a condition of inequality; the provoking of conflict. Association in inequality. (508)
22. Is inequality the necessary result of social growth?  
No. It is the result of social maladjustments. (514)
23. Why do these social maladjustments persist?  
The unequal distribution of wealth and power, gained as society advances, tends to produce greater inequality since aggression grows by what it feeds on. The idea of justice is blurred by the habitual toleration of injustice. (516)
24. What is the great cause of inequality?  
The natural monopoly which is given by the possession of land. Rent grows greater as association increases, concentrating wealth and power in the hands of a few. (516-518)
25. As wealth and power concentrate in the hands of a few, how is progress halted?  
The masses are compelled to expend their mental power in merely maintaining existence, while the ruling class expends its mental power in keeping up and intensifying the system of inequality, in ostentation, luxury, and warfare. (518-519)
26. What has destroyed every previous civilization?  
The tendency to the unequal distribution of wealth and power. (528)
27. Is this tendency observable in our civilization?  
Wages and interest tend constantly to fall, rent to rise, the rich to become very much richer, the poor to become more helpless and hopeless, and the middle class to be swept away. (528)
28. What at first was the effect of the tendency to political equality?  
The more equal distribution of wealth and power. (530)

29. Why does political equality in itself fail to prevent the tendency to inequality, or even to assure the continuance of political equality? (530)
30. Is it necessary to change the form of government to bring about a condition of despotism? (530-533)
31. What is the conclusion as to the future of our civilization which is indicated by the tendency to inequality, by industrial depressions, by poverty, by the increasing struggle to live? (541)
32. Is there a remedy? (543) 545!

The forms of popular government are those from which the substance of freedom may most easily go. No, - a corrupt democratic government tends to corrupt the people, and a democracy tends to lead the people to corruption. We cannot go further without carrying our civilization into the downward path. We must find a way to a better government, a way to a better people, a way to a better world.

REALITY 10-24-44

The truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends - those who will toil for it; suffer for it; if need be, die for it. This is the power of Truth. - Henry George.

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