

ENVP U6250 Guide to Progress & Poverty

D U E	Title	Comment
1	Gaffney Henry George 100 Years Later	Good short intro to George and his influence
2	George P&P Introductory: "The Problem" (D Introduction)	Inspired by George's visit to NYC!: Growing inequality is like a wedge driven through society, raising some and crushing others.
2	George P&P Book I "Wages and Capital" (D Chps 1-5) and Gaffney notes	Skim Book I. It's confusing. The Wage-Fund Theory says wages depend on the ratio of liquid capital to labor. George attacked the theory because he saw it as an obstacle to understanding the real determination of wages.
2	Thomas Malthus An Essay on the Principle of Population Books I,II & III , at www.econlib.org	Note Malthus's upper class contempt for the lower classes. Also note how he contradicts his own argument while trying to prove it. What are Malthus's "checks"?
2	George P&P Book II: "Population and Subsistence" (D Chps 6-9) and Gaffney notes	George attacks the Malthusian doctrine, which seems to support the wage-fund theory. George argues, as did Marx, that vice and misery not caused by overpopulation but by exploitation. George says denser populations are actually (or potentially) more productive.
2	David Ricardo On the Principles of Political Economy and Taxation, (1817) Chp 2 "On Rent" par 1 through 18, at econlib.org	Ricardo's original theory of rent holds that rent of a given piece of land arises from the difference between its productivity and that of the least productive land in use—"marginal land". By George's day, Ricardo's theory was settled doctrine:
2	George P&P Book III: "The Laws of Distribution" Chps 1-5, pp 153-203 (D Chps 10-14), Gaffney notes	Laws of Distribution of Rent, Interest and Wages. George modifies Ricardo's theory of rent by arguing that large landholders, by withholding land from use, lower the quality of marginal land. George's account of interest is convoluted, but ultimately on-target: interest arises from forces of nature acting over time.
2	George P&P Book III Chps 6-7, pp 204-224 (D Chps 15-17)	George develops the "Law of Wages": wages are determined by what men can earn working for themselves on the lowest quality of land open to them (or on the worst work available on land owned by others). He puts it all together: rent, interest and wages must be coordinated and add up to total production of the economy.
2	Adam Smith, Wealth of Nations Book I, Chp I "Of the Division of Labor" paragraphs 1-4 on econlib.org	This is Smith's famous example of economies of scale in a pin factory. Smith will extend the argument to the entire market where division of labor and specialization allows enormous gains—limited only by "the extent of the market". George follows Smith in emphasizing the value of cooperation.
3	Book IV: "Effect of Material Progress Upon the Distribution of Wealth" (D Chps 18-21); Gaffney notes	George examines how shares change over time, due to population increase or better technology. Note in particular one of George's most famous passages: the story of the "Unbounded savannah", pp 235 to 242

3	George P&P Book V: "The Problem Solved" (D chps 22-23); Gaffney notes	George's brief and sketchy explanation of the boom and bust cycle; see Gaffney's critique and expansion—almost longer than George's chapter!
3	George P&P Book VI: "The Remedy" (D Chps 24-25) Gaffney Notes	George's response to 6 proposed remedies: more efficient government, better education of workers, unions, labor-capital cooperation, socialism, land reform
3	Karl Marx, Capital Book I Part 8, Chp 27, par 10 on econlib.org	Marx denounces the enclosures of the commons in England and Scotland during the 15 th through 19th centuries. Noblemen drove peasants off of communally-farmed land, and fenced it in to raise sheep
3	George P&P Book VII: "Justice of the Remedy" (D Chps 26-30); Gaffney notes	Injustice of private property in land, history of land as a commons, land slavery, compensate landowners?, property in US
4	Adam Smith, Wealth of Nations, Book V.2.25-28, Book V.2.74-76	Adam Smith's 4 maxims of taxation—which George will borrow without giving Smith credit Smith makes the case for taxing ground rents
4	George Book VIII: "Application of the Remedy" (D Chps 31-34); Gaffney notes	Efficiency of taxing land values; 4 canons of taxation: Adam Smith: 1 benefits received, certainty, ease of collection, efficiency—minimum deadweight loss
4	George P&P Book IX: "Effects of the Remedy" (D chps 35-38); Gaffney notes	"like removing an immense weight from a powerful spring", land prices fall, wages rise, good land used, less greed, more culture, diffuse population where too dense, concentrate where too sparse; we are made for cooperation
4	George P&P Book X: "The Law of Human Progress" and "Conclusion" (D Chps 39-43); Gaffney notes	Vs "social Darwinism"; petrified civilizations, cyclical theory of civilizations, what makes civilizations different?; metaphor of a boat: " association in equality is the law of progress. " History of western civilization; progress contains the seeds of its own destruction.
4	George P&P Conclusion (D 44) "The Problem of Individual Life"	Poverty and injustice are not inevitable, but are created by human society, and can be reversed. George calls us to strive for a more just and equitable world.
4	John Stuart Mill: "Of the Stationary State" Book IV, Ch VI in econlib.org	In this short chapter, Mill is the only classical economist to explicitly address the end of growth. He makes a powerful case for an egalitarian society in which everyone is reasonably comfortable, and, free from the need to "get on," can enjoy the higher pleasures of life.
4	Gaffney on San Francisco and New Orleans	Repopulating New Orleans: The Lesson from San Francisco "Repopulating New Orleans" How a Georgist mayor saved San Francisco after the earthquake