

CHAPTER 12

IN THE *P&P* CLASSROOMS, 1950—70

Students learned of the Henry George School through mailings based on area, telephone or voting lists, through newspaper and radio announcements, through mailings to people with special interests, such as adult-education students, and through friends.

Those attending the classes ranged from high-school age to men and women in their seventies, with younger ones predominating, and with a sizeable minority of foreigners. During the 1940's and 1950's in New York the latter were apt to be European refugees, and later Latin-Americans were more in evidence. Negroes were always welcome, even before the era of widespread integration.

From the School's inception in 1932 until around 1970 most of its branches, as well as headquarters in New York, taught the regular ten-session once-a-week course on *Progress and Poverty*. Called Fundamental Economics, it was usually a prerequisite to all the other courses.

The vignettes to follow are intended to give the flavor of many of the classes—in New York at any rate—and to show how the chief topics of George's theory were presented. They are taken from classes visited at headquarters during the 1950s and 1960s. The classroom procedure and personnel, both teachers and pupils, were considerably more amateurish and intellectually unsophisticated than they were to become later on.

These notes are winnowed from sessions which seemed typ-

ical. It should be borne in mind that the Teachers' Manual possessed by the instructors consisted of ten "lesson sheets" with questions about the book, and answers quoted almost exactly from it. The students had sheets with the identical questions but usually no answers, as they were supposed to be able to supply these after having read their assignments.

Lesson: *The Law of Rent*

Mr. T. is handling this session. He is young, animated, self-possessed, rather brainy and opinionated. As the students drift in, he starts discussing some proposal currently in the newspapers: "Dosages of minimum-wages do no good, they are just expedients. People are much better off doing things for themselves than having the government do it—it's quite simple."

Soon he gets down to today's topic. The homework has centered on the law of rent ("rent" being the potential annual income from a piece of land) which George adapted from Ricardo and the other British classical economists.

"Fortunately as to the law of rent there is no necessity for discussion. . . . the accepted dictum of the current political economy has the self-evident character of a geometric axiom . . . It is:

"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 . . . where, of course, no rent is paid."¹

To illustrate this, each student has a chart showing four equal plots bearing one, two, three and four curly fruit trees respectively, which yield respectively one, two, three and four bushels of fruit. The first plot with one tree is considered to be "at the margin": the poorest land that is used at all, for which nothing need be paid. The second plot, being more fertile, commands a value or rent—and this is measured by the difference

between its produce and that of the marginal land: namely, one bushel (or its equivalent in money). The rent of the three-tree land is two bushels: that of the four-tree land, three bushels.

Mr. T. recapitulates the law of rent, copies the fruit-tree chart onto the blackboard, and elicits agreeing answers from class members as to how rent is measured by the relative productivity of land. One student, however, gives an unexpected rejoinder.

"Why wouldn't you want the one-tree plot, Mr. Jones?" Mr. T. has asked, the correct answer being, of course, that the other plots produce more. Instead Mr. Jones says: "Because I haven't got the capital to develop it."

Mr. T. overrides this objection. "What you really mean is, you would prefer the more fertile plots."

It is not what Mr. Jones meant at all. Irrelevant as his answer may be to the "law of rent," he has touched on one of the major arguments of anti-George economists: that capital plays a dominant role in the attainment of employment. But this perception is smothered over so quickly by Mr. T. that probably no one realizes a debatable point has been raised. This innocent squashing, this sincere squelching of Mr. Jones takes place with the best will in the world on the part of the teacher. He is not deliberately trying to suppress an opposing point of view: he simply thinks the remark out of place, and he is anxious to get on with the lesson.

Lesson: *The Law of Wages*

Tonight's instructor is a lawyer with a grave, thin face and quiet manner—Mr. D. He proceeds methodically with the question-sheet.

Do wages come from capital?

The answer as usual in Georgist classes is a thundering NO, for George has stated that wages are drawn from ongoing production. But a white-haired man ploddingly dissents:

"Doesn't a capitalist who has produced unsaleable shoes have to pay his workmen anyway?" Mr. D. says this *may* happen, but it is just an untypical "misadventure."

Then he takes up one of the most difficult parts of the course: "the law of wages." The students have read this formula:

*"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."*²

They have also studied these passages on the difference between land that is free to the worker, and land whereon he is merely a tenant:

"Where land is free . . . wages will consist of the whole produce, (less that amount necessary to induce the storing up of labor as capital.)

*"Where land is subject to ownership and rent arises, wages will be fixed by what labor could secure from the highest natural opportunities open to it without the payment of rent."*³

To illustrate all this, the fruit-tree chart of the last session is put on the blackboard, the four plots of land bearing one, two, three and four trees respectively—each now also containing the bent figurine of a laborer.

It is at first assumed that these are pioneer days with land of varying degrees of richness open free to settlers. The worker who has preempted the four-tree land earns four bushels of fruit as his wages. The second comer, who has to be content with the three-tree land, gets three bushels, the developer of the next plot, two; and the worker on the poorest, marginal, one-tree plot earns one bushel.

Suppose, however, that land is no longer to be had for the taking, and that laborers must work on land already occupied by someone else. The *rent* of the four-tree land, as explained in the last lesson, is three bushels, which the worker must pay to the landlord, leaving only one bushel for his wages. Similarly the workers on the three-tree and two-tree plots must pay rents which deprive them of all wages except one bushel; the yield of the marginal land.

Mr. D. explains all this competently. The class accepts this theory of the relation of rent to wages without raising any questions.

The next point is even more complicated. The homework has included this statement:

*"If a man can employ himself, the lowest wages for which he will work for others is what he can make working for himself. Since the primary, fundamental occupations upon which, so to speak, all others are built up, are those which procure wealth directly from Nature, the law of wages in these must be the general law of wages."*⁴

In other words, all wages (under conditions of free competition) depend indirectly upon what the self-employed man can make at the lowest point of natural productivity in use.

To explain this, Mr. D. draws a version of the classic Georgist wage-pyramid. At the broad base, he puts "unskilled labor," over this a band of "semi-skilled," with "professionals" at the apex. He further labels the base as "extractive industries," since George equates these occupations (mining, farming, etc.) with the lowest paid and most extensively employed labor.

Someone asks if George may not have been inaccurate in assuming that the greatest number of the lowest-paid occupations necessarily coincides with those close to the soil. Mr. D. pauses, concedes there are more unskilled *non-extractive* occupations now than in George's day. But the possible discrepancy between George's implication and present conditions evidently does not seem important to him.

Comment: Mr. D. is one of the superior instructors in that he always answers the students' objections relevantly. He gives no sign of seeing anything significantly exaggerated or disproportionate in the teachings of *P & P*.

Lesson: *The Industrial Depression*

The teacher for this afternoon—one of the few daytime classes—is Mrs. B. She is a smartly dressed woman, peppy, gracious and motherly.

"Mrs. Marston, will you kindly read the heading for today's lesson?"

Mrs. Marston reads from the lesson sheet: "Depressions are usually an aggravation of the problems of poverty. . . . George cites various causes which bear an important part in producing and continuing hard times. . . . These causes do not necessarily

accompany every depression. There is, however, one condition which is ever present—speculation in land.”⁵

“Thank you, that was nicely read,” says Mrs. B. “George is so simple that he seems radical. But he is not ‘idealistic’; he is scientific. Economists don’t know about him.”

She then proceeds to the question of speculation. As preparation, the students have read:

“The confident expectation of increased prices . . . tends to the withholding of land from use, in expectation of higher prices, thus forcing the margin of cultivation further than required by the necessities of production (to worse land). . . .”

“The influence of speculation in land in increasing rent is a great fact. . . . It is the force . . . which tends constantly to increase rent in a greater ratio than progress increases productivity, and thus constantly tends . . . to reduce wages.”⁶

Mrs. B., reading from the Teacher’s Manual:

“Where land is held out of use by speculation, what is the effect on the margin of production, Mr. Di Luca?”

Mr. Di Luca: “It lowers it.”

Mrs. B.: “Where the margin of production is lowered, what is the effect on the returns to labor and capital?”

The next student falters a minute, then says:

“Wages will be lowered, and interest also.”

“That was a very fine answer, Mrs. Harvey. You gave that a great deal of thought.” The catechism proceeds.

“Where must labor and capital always go to find employment?”

Next student: “To the land.”

Mrs. B. in her brisk, lilting intonation: “Definitely. It stands to reason, everything takes place on land. We found out, unfortunately, a few lessons ago, that Rent grabs more than its share.”

At the mid-point of the session there is a recess. Mr. Kraus in the front row says to a neighbor that he is going to Europe in the summer. Mrs. B. catches this, and makes of it a many-splendored thing.

“Mr. Kraus is going to Europe!” she tells the class. “That is quite fortunate. What happiness, what anticipation!”

Soon she looks at her wristwatch. "My dear class, I feel it is now time for us to get down to cases." Recess is over.

A different topic, "*Insufficiency of Proposed Remedies*" soon begins.

Mrs. B.: "Would economy in government or reduced taxes eliminate poverty?"⁷

A young Negro girl: "I can't seem to get this question through my head."

Mrs. B.: "Take your time, dear."

The student finally: "No."

Mrs. B.: "That is correct. And why wouldn't such things help?"

An elderly man with a German accent, carefully: "Because even if some money would be saved by such means, landowners would get it all in the end."

Mrs. B.: "Thank you, Mr. Schrader, you brought out that reasoning beautifully. We know, don't we, that as long as land is monopolized, anything that stimulates production merely raises rents in the end . . . Strikes do no ultimate good, and meanwhile those men lose their wages: it breaks my heart."

Comment: This is one of the earlier classes when the students' lesson sheets contained not merely page-references, but the actual "answers" from *Progress and Poverty*. This, plus the dogmatism of the teacher, accounts for the number of parrot-like responses.

Lesson: *Insufficiency of Proposed Remedies*

Prior to this session, the class has studied George's citations of drawbacks to union power and to the income tax as methods of redistribution.

The instructor, Mr. R., is young, curly haired, cheerful, alert—Spanish or perhaps Latin-American, in name and accent. He seems popular with the class, which nevertheless gives him quite a bit of argument.

Mr. R.: "Can the general level of wages be increased if a union increases wages in a specific industry?"⁸

A young boy: "A steel raise does."

Mr. R: "No, it doesn't raise the margin of production which is where wages are determined. What they get, the rest of the population loses."

Man with bow-tie: "The workingman has more today than he had thirty years ago."

Mr. R.: "He is better off, but only relatively. If he wants more education, cars, clothes than he has, if he can't keep up with the Joneses, there is anxiety. Sometimes there is even a lack of food—*Can the general level of wages be increased by a complete combination of all workmen?*"

Class: "Yes."

Mr. R.: "Yes, but the cost is losing your freedom. There is already tyranny in unions even though there is not complete combination. *Can governmental regulation of industry raise the general level of wages?*" (The printed answer says no, and that such regulation restricts production, requires bureaucracy and encourages bribery.)

Young man with a pipe: "Government regulation prevents monopoly."

Mr. R: "What about the graduated income tax—doesn't it discourage production?"

Man with bow-tie: "We have more production in spite of it."

Young man with pipe: "The way the income tax is spent creates employment and finances public works."

Mr. R: "The land tax would be sufficient for public revenue. Forty per cent of government expense goes into tax collecting." (No one challenges this amazing statistic—which apparently came from a misreading of .04% in a report that appeared at this time.) "People turn to government because they don't know what to do. What do we call that in political terms? Socialism."

He then starts reading from a "Supplement" (some relevant printed material not in *Progress and Poverty*), held by both himself and the students, entitled *Georgian Versus Socialism*:

"GEORGISM. The philosophy of Henry George which holds that land, the free gift of nature, belongs to all men in common . . . and, as a corollary, that the wealth produced by labor rightfully belongs to the producer . . . and that all products of labor . . . be freed of taxes.

"SOCIALISM. A political and economic theory of social organization based on collective or governmental ownership and democratic management of the essential means for the production and distribution of goods."

The Supplement adds that COMMUNISM is "at present often used interchangeably with Socialism," and that the socialistic proposal on wages is "to each according to his wants."

A woman demurs that this doesn't make the proper distinction between Socialism and Communism. Mr. R. states firmly that they are about the same, differing in degree but not in kind.

Comment: This class is distinguished by several well-informed students who evidently favor unions, the income tax, etc. and are articulate in their objections. The instructor, while sticking to his credo, encourages discussion.

Lesson: *The Remedy*

Mr. P. is about forty, highbrowed, bespectacled, pleasant and moderate in manner. He has taught for years at the School but never any place else, and is in the steamship business.

Mr. P: "Let's see, we didn't quite finish last week's lesson on the insufficiency of other remedies. Can unions raise wages, or don't they lose as much as they gain?"

Young man: "Over a period of years there *has* been an improvement due to labor agitation. Capitalists would never have given wage increases if they hadn't been pressured into it."

Frowsy-haired lady with an embroidered blouse and a mellifluous voice "That is the basic flaw in human nature! What has happened to the little shoemaker who did a wonderful job just because he loved to do it well?"

Mr. P: (ignoring her, to young man): "Can we attribute the improvement in working conditions to union activity or to technology? Perhaps to both."

The class now turns to today's lesson, *The Remedy*.

As homework they have read:

"The reason why . . . wages constantly tend to a minimum which will give but a bare living is that, with increase in pro-

ductive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages."

*"There is but one way to remove an evil—and that is, to remove its cause. . . . We must make land common property."*⁹

Mr. P: "What is the true remedy to the maldistribution of wealth?"

Class: "Make land common property!"

None of the students questions just what is meant by "property;" apparently they understand that it refers to the financial value, not the tenure. Or perhaps some of them don't think about it at all.

Finally Mr. P. poses the \$64,000 question:

"If land is justly common property, how can a man retain undisturbed possession of land and yet satisfy the equal right of all?"

(George has written: *"What I . . . propose as the simple yet sovereign remedy which will raise wages, increase the earnings of capital, extirpate pauperism . . . and carry civilization to yet nobler heights, is—to appropriate rent by taxation."*)¹⁰

Class members: "By paying a bix tax!" "That's the crux!" "By paying rent!"

Mr. P: "Yes. Payment of rent would fully satisfy the equal rights of all, because rent measures the exact difference between the advantages of a particular piece of land, and land which may be had freely."

A student breaks out in a puzzled way that he doesn't see how George's solution would help unemployment.

The teacher explains how land would be *forced* into use, and how beneficial this would be: "If the owner of vacant land behind the Empire State Building were taxed according to George's principle, do you think he could keep it idle? The price of land isn't an arbitrary thing where a guy blows a bugle; it's fixed by the market. . . . If land were taxed at its full value, its selling price would fall and it would become more cheaply available."

But the student persists: Supposing land is forced into use, that wouldn't solve poverty, for an unskillful farmer would be forced off his land by being unable to meet the rental tax which

the more skillful farmer next door would be able to pay on *his* plot.

Mr. P. says the pupil hasn't given a good example; but he doesn't really answer him, since he doesn't go into the problem of poverty caused by ineptitude. As to the question of jobs with little obvious connection with the price of land, no one in this particular class thinks of this.

Lesson: *Justice of the Remedy*

The instructor is Mr. H., a construction engineer. He is youngish, with black hair, a mustache, and a manner which suggests a good deal of feeling for his subject.

In preparation the class has read:

"The ownership of a natural agent of production will give the power of appropriating so much of the wealth produced . . . upon it as exceeds the return which the same application of labor and capital could secure in the least productive occupation in which they freely engage."

Mr. H: "Does rent arise from anything the landowner has done?" The class says NO.

Mr. H. agrees: "The landowner just sits back and smokes a cigar, if he's a cigar smoker. He merely reaps the profit from what society has done to make his land valuable. Is that just?" The class says NO.

"What is justice?" asks Mr. H.

Several people leap in with definitions: "A philosophic concept." "Something moral." "Natural justice is that the strong overcome the weak!"

Mr. H: "Does a man have the right to anything not the fruit of his labor?"

Everyone: "No."

"Would compensation to landowners (if changing to George's system) be just?" is the next question.

One of the students says "Yes" and Mr. H. lets this pass without comment, which is interesting. For the lesson-sheet unequivocally says NO (George has written that common law correctly awards nothing to the innocent purchaser of land

subsequently found to belong to another). It seems as if Mr. H. privately has some degree of agreement with the student, yet doesn't want to contravene *Progress & Poverty*.

As in the class previously visited, the students take up the printed Supplement "Georgism Versus Socialism." No one questions that "Communism is often used interchangeably with Socialism," that under Socialism, wages are given "to each according to his wants" and "there are no individual rights except as granted by the government." Yet none of these statements were actually made by George, and the only supportive quotation cited from him—from *The Condition of Labor*—doesn't associate socialism with control of wages or individual rights, but only with unspecified "restrictions" upon competition.

Finally, Mr. H. seems almost impassioned when contemplating the injustice of taxing renovations: "If a landlord keeps his building in good repair, he pays more—it's that simple!"

There is something positive and engaging about most of the teachers, probably stemming from their belief in the value of their service: a flair for leading the discussion onwards and creating a pleasant, cohesive classroom milieu. There is no emotional charge to the teaching at the School—no sense of a cult, a "cause" or a political movement. While here and there an instructor may express his personal opinions forcefully, the total atmosphere is friendly and dispassionate.

About two-thirds of the teachers whose classes were visited displayed perspicacity and fair-mindedness in answering inquiries; the others seemed inadequate in that they failed to get the gist of the students' objections. Even those who answered relevantly, however, usually did not give the students' often sensible questionings their rightful due—and it is easy to see why.

First, the instructors were supposed thoroughly to cover *Progress and Poverty*, and it would be a difficult feat to teach such a book in ten sessions, and at the same time hedge it about with qualifications, even if one wanted to.

Second, they did not want to. Being volunteers few of whom had ever taught professionally, they embarked on this work out of a sincere belief in Georgism, not out of aptitude for either teaching or economics. They might be undogmatic in temperament, and agree with the School's articulated aims of "analysis, not advocacy" and "appeal to reason, not to authority." But they simply thought that reason and the authority of Henry George coincide at almost every point.

There were exceptions to this, notably on the matter of "compensation"; for several teachers (in sessions not covered as well as those reported) did say some compensation might be necessary. But as to an even greater issue—whether most of all other taxes should be removed—they were apparently unanimous in sticking to this as a desideratum even if not a practicality.

The *Teachers' Training* course which they, as former students of the Henry George School, usually had to take before qualifying as teachers, did little to prevent this. It was itself conducted by the School director or one of the older teachers; and so the whole set-up was ingrown. The trainees, besides grappling with "the art of teaching" (often including Gilbert Highet's book of that name) and the "Socratic method" of questions and answers, did indeed read histories of economic thought and excerpts from other economists. But the question is, to what extent were differences of opinion from George really provided for?

"Certainly, we study other economists", a trainee once said, and then specified: "We tore Seligman to pieces, and we read Max Hirsch's *Democracy versus Socialism*" (the book written in 1901 which equates "socialism" with totalitarianism and "democracy" with land value taxation). The point of departure of the course was still so firmly grounded in *Progress and Poverty* that the readings from opposing economists were often not integrated into a budding teacher's thought.

So although the emotional tone of the school was liberal, the intellectual mould was narrower. This could hardly be otherwise in a "fundamental economics" course based exclusively on *Progress and Poverty*. For it is obvious that the book, with its

diagrammatic emphasis on the "laws" of rent and wages, does not begin to cover many topics which the well-informed public thinks of as fundamental economics. Such concessions —admittedly brief—as George did definitely make to the significance of non-land monopolies were barely mentioned in the instruction.

Both the commendable and the inadequate qualities of the School were directly traceable to its origins. It had its genesis in men who believed in Henry George, who were not economists. As amateurs they and their descendants, so to speak, wrought a real achievement in the more than 125,000 graduates (many of them enjoyably stimulated) who had been gained since the School's inception. The fact remains that the institution for the greater part of its life was a highly intellectual project with a relative shortage of intellectuals.

It was not only the volunteer teachers who were largely lacking in the usual academic standards. Of the twenty-odd directors who more than anyone planned the School's work, few—during the 1950s and 1960s anyway—were college graduates. It would be unfair to deduce from this that their knowledge of political economy was confined to readings in George, for many made a real effort to broaden their knowledge in this field. Yet there is much to be said for familiarity with other economists *before* studying George. If one's chief motive for investigating other ideas is to compare them with a theory already beloved, it is almost inevitable that they should not be given as objective consideration as if they had been part of a prior education.

With its hundreds of volunteer instructors, its carefully wrought manuals and methods, its disparities of resourceful and inadequate teaching, the School was a provocative testimonial to faith in an idea, rather than intellectually convincing in its own right.

Until the late 1960s, the introductory course was taught with *Progress and Poverty* as mandatory reading in most classrooms. The dominant impression gained from it was the justice of appropriating the profits from Land for the public treasury—and this all students could accept. Yet the close adherence to the

book as textbook presented George's proposition in its most literal, schematic way, stressing the belief in the supreme power of land monopoly to engender poverty. This left unconvinced or uninterested many pupils, most of whom upon graduation dropped all connection with the School. Year after year, however, it did produce small contingents of adherents who in turn became teachers, directors or trustees of the various Georgist organizations.

The method of instruction was to change considerably in the 1970s, as many teachers adopted various ways of conveying the message of *Progress and Poverty* without such literal reliance upon it, and sometimes without requiring the book to be read at all.