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DICTIONARY AND SOURCE BOOK  
OF POLITICAL ECONOMY

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Credit	The belief or trust that a man will fulfill his economic obligations.
Debt	An obligation or liability to pay or render something, such as goods, services, or money, to someone else.
Demand	
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Diminishing Returns, Law of	
Direction	
Distribution	
Dogma	
Duty	
Earnings	
Earth	
Economic development	
Economic growth	
Economics	The social science that studies the nature of wealth and the laws, natural and man-made,



Land                    A volume of space at a particular location and everything contained within it, including all natural resources, but excluding human beings and their products.

Landlord

Landlordism

Land Value Taxation (LVT)

Law                    In its most general and comprehensive sense, signifies a rule of action, which is prescribed by some superior, and which the inferior is bound to obey.

Leadership

Lease

Legislation

Liberality

Liberty

Lorenz Curve

Macroeconomics

Man

Margin                The least productive site in use given equal application of skill and effort on each site.

Market economy/system

Market price

Market value

Medium

Medium of exchange

Mercantile

Mercantilism

Merchant

Microeconomics

Money                Whatever in any time and place is used as the common medium of exchange and the common measure of value is money in that time and place.

Money Supply

Monopoly

Moral Philosophy

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Nation

Natural Law            The eternal unchanging laws according to which the universe and everything in it, including humanity, are arranged, grow, live and die. They are the

laws with which the Supreme Self has imbued creation.

Natural Resources All natural materials, forces, and opportunities freely supplied by nature, such as forests, minerals, or a falling stream which supplies power, which have been shown to be useful towards the satisfaction of human desires.

Nature The order, arrangement and essence of all elements composing the physical, mental and causal universe.

Need

Neoclassical

Normative Economics

Oligopoly

Ownership

Pecuniary

Physiocrats

Political Economy The social science that studies the nature of wealth, including its production and distribution in society.

Positive economics

Poverty

Presentation

Price Price arises only on exchange and is all that is given, done or promised by one party in return for all that is given, done or promised by the other.

Private Property

Problem

Production

Productivity

Profit The excess of income over expenditure.

Progress

Proletariat

Property

Rackrent

Raw materials Natural resources to which labor has been applied and value added but are not yet the final product. Natural resources that are in the process of being transformed into wealth.

Reason  
Redistribute  
Reform  
Religion  
Rent                    That portion of the wealth yielded on a piece of  
   land in excess of that yielded at the margin  
under     equal market conditions.  
Rentier  
Rent-seeking behavior  
Right  
Risk

Salary  
Scarcity  
School  
School of economic thought  
Science  
Security  
Seigniorage  
Self-interest  
Serf  
Service(s)  
Single Tax  
Site Value Taxation  
Slave  
Slavery  
Socialism  
Social Science  
Society  
Special Interest  
Speculation  
State  
Steal  
Steward  
Stoicism  
Study  
Supply side economics  
Surplus value  
Sympathy

Tax  
Tenant                    One who temporarily holds or occupies land, a  
   building or other property owned by another.  
Tenure (Land tenure system)    The terms under which land is  
   held.

Theory  
Trade  
Traditional Economy  
Trustee  
Truth

Unemployment  
Unity  
Usufruct  
Usury  
Utility

Value                   Worth in usefulness or importance to the  
  possessor.

Value Added  
Value in Exchange  
Value in Use  
Virtue  
Vision

Wages                   The full product of labor at the margin.

Wealth                   Natural resources transformed by labor to satisfy  
  human desire; also human labor that directly  
  satisfies human desire.

Work

## **Alms**

### **American Heritage Dictionary**

pl.n. Money or goods given to the poor in charity.

### **Charles Avila - Ownership Early Christian Teaching, p.99**

"Let us set to work all the different kinds of almsgiving. Can you do alms by money? Be not slack. Can you by good offices? Say not, because I have no money, this is nothing. This is a very great point: look upon it as if you had given gold. Can you do it by kind attention? Do this also. For instance, if you be a physician, give your skill: for this is also a great matter. Can you by counsel? This service is much greater than all."

-John Chrysostom



## **Avarice**

### **American Heritage Dictionary**

n. An extreme desire to amass wealth; cupidity.

### **Jacob Needleman - Money and the Meaning of Life, pp.54-55,58,59**

The Medieval Church tolerated the necessary exchange of money for goods, but considered business or trade, as such, to be morally dangerous. The task of the Church was to regulate the economic life of society so that material needs of individuals did not become the cravings that pull one away from religious principles of behavior. For example, the laws against usury, or excessive interest on loans, were, at their root, meant to prevent exploitation of another's misfortune or need. In our capitalistic world, it is difficult for us to understand why religious traditions have always regarded the charging of interest with such strong disapproval. What we forget is that prior to our era, an individual usually asked for a loan of money only when driven to it by hardship. To charge interest on such a loan was to seek to profit from my neighbor's hardship - it was a form of avarice....

Avarice was what became of the normal material needs of man when they lost their relation to the spiritual nature of man.

And this, in fine, is why trade and commerce, and especially dealing in money, were so suspect. The economic life of man had to be conducted in such a way that the individual could see it as secondary to the aim of opening to the higher, to God. Secondary, not evil. An individual needed to live the life of the family and the body for his own well-being, while at the same time recognizing his dependence on the whole community and his obligation to serve the whole community - as a step toward brotherly love....

This is the real meaning of the sin of avarice, and indeed of all the deadly sins. All the sins are so many aspects of pride or egoism, understood as submersion in the illusion of self-power.

### **Kenneth Lux - Adam Smith's Mistake, pp.6-7**

Just what is this change that we can call the economic transformation of society? Is it the pursuit of wealth? Yes, in part it is certainly that. However, I also learned from my economic studies something that I already vaguely knew but

without an adequate appreciation of its significance. I was reminded that in the Middle Ages - a time dominated by the Church and its teachings - the pursuit of wealth, at least the naked pursuit, was considered wrong, for it was the sin of avarice. And the increasing interest in the lending of money, which we now know to be the heart of finance, was condemned by the Church as usury. So, between the height of the Middle Ages and the present there has to be a fundamental change in thought that allowed and perhaps even encouraged activities that were once considered wrong.

This shift cannot be adequately explained as merely a new interest in the pursuit of wealth. The tendency toward avarice, if we want to call it that, has always been present in human nature and in fact has been indulged by the princes of all ages. But it seems that rather suddenly - if we take into account the whole span of human history - such a tendency began to emerge in one area of the world on an unprecedented scale. The pursuit of wealth became open not only to princes and monarchs but seemingly to all people.

**Charles Avila - Ownership Early Christian Teaching, p.117**

'The love of money is the root of all evil' (1 Timothy 6:10) - "if (by 'love of money') we mean general avarice, by which each desires something beyond what is appropriate, for its own sake, and a certain love of one's own property - which the Latin language has wisely called 'private,' for it connotes more a loss than an increase. For all privation is a diminution." -Augustine

**Marsilio Ficino - The Letters of Marsilio Ficino, Volume 2 Letter 40**

Do you want to get rich quickly? Study to withdraw from avarice as much as you have studied to add to your possessions up to the present.

**Barter**

**American Heritage Dictionary**

v.-tr. To exchange (goods or services) without using money.

**Bronfenbrenner, et al. - Economics, p.G-3**

The exchange of one good or service for another without the use of money as a medium of exchange.

## **Bimetallism**

### **The American Heritage Dictionary**

- n. 1. The use of gold and silver as the monetary standard of currency and value.  
2. The doctrine advocating such a standard.

### **The Columbia Encyclopedia**

In economic history, monetary system in which two commodities, usually gold and silver, were used as a standard and coined without limit at a ratio fixed by legislation that also designated both of them as legally acceptable for all payments. The term was first used in 1869 by Enrico Cernuschi (1821-96), an Italian-French economist and a vigorous advocate of the system.

In a bimetallic system, the ratio is expressed in terms of weight, e.g., 16 oz of silver equal 1 oz of gold, which is described as a ratio of 16 to 1. As the ratio is determined by law, it has no relation to the commercial value of the metals, which fluctuates constantly. Gresham's law therefore, applies; i.e., the metal that is commercially valued at less than its face value tends to be used as money, and the metal commercially valued at more than its face value tends to be used as metal, valued by weight, and hence is withdrawn from circulation as money. Working against that is the fact that the debtor tends to pay in the commercially cheaper metal, thus creating a market demand likely to bring its commercial value up to its face value.

In practice, the instability predicted by Gresham's law overpowered the cushioning effect of debtor's payments, thereby making bimetallism far too unstable a monetary system for most modern nations. Aside from England, which in acts of 1798 and 1816 made gold the standard currency, all countries practiced bimetallism during the late 18th century and most of the 19th century.

## **Bourgeois**

### **The American Heritage Dictionary**

- n.
1. One belonging to the bourgeoisie.
  2. Plural. The middle class; the bourgeoisie.
  3. One whose attitudes and behavior are marked by conformity to the standards and conventions of the middle class.
  4. In Marxist theory, a member of the property-owning class; a capitalist, as opposed to a member of the proletariat.

adj. Of or typical of the middle class. Often used disparagingly to suggest such qualities as mediocrity or a preoccupation with respectability and material values.

## **Bullion**

### **The American Heritage Dictionary**

- n.
1. Gold or silver considered with respect to quantity rather than value.
  2. Gold or silver in the form of bars, ingots, or plates.

## Calling

### American Heritage Dictionary

- n.
1. An inner urge; a strong impulse.
  2. An occupation, profession, or career.

### **James Freeman Clarke, A Treasury of Inspiration, p.89**

It is a matter of great importance to find what our proper gift is. A man who might be extremely useful in one situation goes into a place and work he has no talent for, and so loses his labor, and his life is of no profit. He has mistaken his calling, we say. That word "calling" indicates the old religious feeling about occupation; it expresses that we should do that work which we are called to do, not the work we choose ourselves.

## **Capital**

**Wealth that is employed to enhance labor's productivity.**

### **American Heritage Dictionary**

- n.
2. Wealth in the form of money or property, owned, used, or accumulated in business by an individual, partnership, or corporation.
  3. Any form of material wealth used or available for use in the production of more wealth.
  4. a. Accounting. The remaining assets of a business after all liabilities have been deducted; net worth.  
b. The funds contributed to a business by the owners or stockholders.
  5. Capitalists considered as a group or class.
  6. Any asset or advantage.

### **Henry George - Progress and Poverty, p.37**

Now, it makes little difference what name we give to things, if when we use the name we always keep in view the same things and no others.... In fact, most people understand well enough what capital is until they begin to define it, and I think their works will show that the economic writers who differ so widely in their definitions use the term in this commonly understood sense in all cases except in their definitions and the reasoning based on them.

This common sense of the term is that of wealth devoted to procuring more wealth. Dr. Adam Smith correctly expresses this common idea when he says: "That part of a man's stock which he expects to afford him revenue is called his capital."

### **Henry George - Progress and Poverty, pp.38-39**

Land, labor and capital are the three factors of production. If we remember that capital is thus a term used in contradistinction to land and labor, we at once see that nothing properly included under either one of these terms can be properly classed as capital. The term land necessarily includes, not merely the surface of the earth as distinguished from the water and the air, but the whole material universe outside of man himself, for it is only by having access to land, from which his very body is drawn, that man can come in contact with or use nature. The term land embraces, in short, all natural materials, forces, and opportunities, and, therefore, nothing that is freely supplied by



nature can be properly classed as capital. A fertile field, a rich vein of ore, a falling stream which supplies power, may give to the possessor advantages equivalent to the possession of capital, but to class such things as capital would be to put an end to the distinction between land and capital, and, so far as they relate to each other, to make the two terms meaningless. The term labor, in like manner, includes all human exertion, and hence human powers whether natural or acquired can never properly be classed as capital. In common parlance we often speak of a man's knowledge, skill, or industry as constituting his capital; but this is evidently a metaphorical use of language that must be eschewed in reasoning that aims at exactness. Superiority in such qualities may augment the income of an individual just as capital would, and an increase in the knowledge, skill, or industry of a community may have the same effect in increasing its production as would an increase of capital; but this effect is due to the increased power of labor and not to capital. Increased velocity may give to the impact of a cannon ball the same effect as increased weight, yet, nevertheless, weight is one thing and velocity another.

## Capitalism

### The American Heritage Dictionary

- n. 1. An economic system characterized by freedom of the market with increasing concentration of private and corporate ownership of production and distribution means, proportionate to increasing accumulation and reinvestment of profits.
2. A political or social system regarded as being based on this. Compare Socialism.

### **Bronfenbrenner - Economics, p.G-4**

Capitalist System - An economic system in which most physical instruments of production are owned by private individuals and business firms.

**"Capitalism," Microsoft (R) Encarta - Copyright (c) 1993 Microsoft Corporation. Copyright (c) 1993 Funk & Wagnall's Corporation.**

Capitalism, economic system in which private individuals and business firms carry on the production and exchange of goods and services through a complex network of prices and markets. Although rooted in antiquity, capitalism is primarily European in its origins; it evolved through a number of stages, reaching its zenith in the 19th century. From Europe, and especially from England, capitalism spread throughout the world, largely unchallenged as the dominant economic and social system until World War I ushered in modern communism (or Marxism) as a vigorous and hostile competing system.

The term capitalism was first introduced in the mid-19th century by Karl Marx, the founder of communism. Free enterprise and market system are terms also frequently employed to describe modern non-communist economies. Sometimes the term mixed economy is used to designate the kind of economic system most often found in Western nations.

The individual who comes closest to being the originator of contemporary capitalism is the Scottish philosopher Adam Smith, who first set forth the essential economic principles that undergird this system. In his classic An Inquiry into the Nature and Causes of the Wealth of Nations (1776), Smith sought to show how it was possible to pursue private gain in ways that would further not just the interest of the individual but those of society as a

whole. Society's interests are met by maximum production of the things that people want. In a now famous phrase, Smith said that the combination of self-interest, private property, and competition among sellers in markets will lead producers 'as by an invisible hand' to an end that they did not intend, namely the well-being of society.

### **Characteristics of Capitalism**

Throughout its history, but especially during its ascendancy in the 19th century, capitalism has had certain key characteristics. First, basic production facilities - land and capital - are privately owned. Capital in this sense means the buildings, machines, and other equipment used to produce goods and services that are ultimately consumed. Second, economic activity is organized and coordinated through the interaction of buyers and sellers (or producers) in markets. Third, owners of land and capital as well as the workers they employ are free to pursue their own self-interests in seeking maximum gain from the use of their resources and labor in production. Consumers are free to spend their incomes in ways that they believe will yield the greatest satisfaction. This principle, called consumer sovereignty, reflects the idea that under capitalism producers will be forced by competition to use their resources in ways that will best satisfy the wants of consumers. Self-interest and the pursuit of gain lead them to do this. Fourth, under this system a minimum of government supervision is required; if competition is present, economic activity will be self-regulating. Government will be necessary only to protect society from foreign attack, uphold the rights of private property, and guarantee contracts. This 19th-century view of government's role in the capitalist system has been significantly modified by ideas and events of the 20th century.

### **Origins**

Merchants and trade are as old as civilization itself, but capitalism as a coherent economic system had its origins in Europe in the 13th century, toward the close of the feudal era. Human beings, Adam Smith said, have always had a propensity to 'truck, barter, and exchange one thing for another.' This inclination toward trade and exchange was rekindled and stimulated by the series of Crusades that absorbed the energies of much of Europe from the 11th through the 13th centuries. The voyages of discovery in the 15th and 16th centuries gave further impetus to business and trade, especially following the vast flood of precious metals that poured into Europe after the

discovery and conquest of the New World. The economic order that emerged from these events was essentially commercial or mercantile; that is, its central focus remained on the exchange of goods rather than on their production. Emphasis on production did not come until the rise of industrialism in the 19th century.

Before that time, however, an important figure in the capitalistic system began to emerge: the entrepreneur, or risk taker. A key element in capitalism is the undertaking of activity in the expectation that it will yield gain in the future. Because the future is unknown, both the risk of loss and the possibility of gain always exist. The assumption of risk involves the specialized role of the entrepreneur.

The thrust toward capitalism from the 13th century onward was furthered by the forces of the Renaissance and the Reformation. These momentous developments changed society enormously and paved the way for the emergence of the modern nation-state, which eventually provided the essential peace, law, and order crucial for the growth of capitalism. This growth is achieved through the accumulation of an economic surplus by the private entrepreneur and the plowing of this surplus back into the system for further expansion. Without some minimum of peace, stability, and continuity this process cannot continue.

**Robert Heilbroner & Lester Thurow - Economics Explained, pp.11-13**

Perhaps there is no more important economic question than the future of capitalism, none that affects more deeply our private destinies and those of our children.... Nonetheless, we feel that it is impossible to understand capitalism without at least some understanding of its roots. So we are going to begin the study of our economic system rather the way a doctor begins to become acquainted with a patient - by taking its history.

To begin with, all these non-capitalist societies [Egyptian, Greek, Medieval Europe, India, China, ancient Africa, Islamic Society, etc.] lacked the institution of private property. Of course, all of them recognized the right of some individuals to own wealth, often-vast wealth. But none of them legally accorded the right of ownership to all persons. Land, for instance, was rarely owned by the peasants who worked it. Slaves, who were a common feature of most pre-capitalist systems, were only rarely permitted to own property - indeed, they were property. The idea

that a person's property was inviolate was as unacknowledged as that his person was inviolate. The Tudor monarchs, for example, relatively enlightened as sixteenth-century monarchies went, could and did strip many a person or religious order of their possessions.

Second, none of these variegated societies possessed a central attribute of capitalism - a market system. To be sure, all of them had markets where spices, gold, slaves, cloth, pottery, and foodstuffs were offered for sale. But when we look over the expanses of ancient Asia, Africa, or the Egyptian and Roman empires, we can see nothing like the great web of transactions that binds our own economy together. Most production and most distribution took place by following the dictates of tradition or the orders of a lord. In general, only the small leftovers found their way to the market stalls. Even more important, there was no organized market at all to buy and sell land, or to hire labor, or to lend money. Markets were the ornaments of society, tradition and command its iron structure....

In such a setting, moneymaking itself was not much esteemed... Moneymaking was generally considered to be beneath a person of noble blood; indeed, in Christendom it was a pursuit uncomfortably close to sin. Usury - lending at interest - was a sin - in fact, a mortal sin.

**Robert Heilbroner - Behind the Veil of Economics, p.66**

Capitalism as a regime has more than one identifying characteristic. But its central, driving characteristic is surely its need constantly to accumulate, to seek avenues for the investment of capital in order to create more capital. In slightly different terms this is a formulation every businessman would agree with. It is the profit motive, expansion, growth. Using another vocabulary, it is the belief in the primary role of investment that the economics profession in general takes. The imperative for capital formation, growth - accumulation is the term that I prefer - is central because capitalism depends on that in order to reproduce and preserve its entire sociopolitical structure.

**Jacob Needleman - Money and the Meaning of Life, pp.69-70**

...As for the material desires of man, these became separated off from the influence of the Christian teaching much earlier, under the banner of Protestantism. The earliest name for this state of affairs, in which the conduct of economic life became cut off

from the influence of spiritual ideals was and now still is:  
Capitalism.

## **Caste**

### **American Heritage Dictionary**

- n. 1. One of the four major hereditary classes into which Hindu society is divided. Each caste is distinctly separated from the others by restrictions placed upon occupation and marriage.  
See **Brahman, Kshatriya, Vaisya, Sudra.**
2. Any social class separated from others by distinctions of hereditary rank, profession, or the like.
3. A social system, or the principle of grading society, based on these distinctions.
4. The social position or status conferred by such a system.

### **The Bhagavad-Gita, Discourse IV, Verse 13, Commentary of Sri Sankarachara, pp.125-126**

The fourfold caste has been created by Me according to the distribution of energies and actions; though I am the author thereof, know Me as non-agent and immutable.

The four castes (varnas, lit. colors) have been created by Me, Isvara, according to the distribution of energies (gunas) and of actions. The energies are Sattva (goodness), Rajas (foulness, activity), and Tamas (darkness). The actions of a brahmana (priest), in whom Sattva predominates, are serenity, self-restraint, austerity, etc. The actions of a kshatriya (warrior), in whom Rajas predominates and Sattva is subordinate to Rajas, are prowess, daring, etc. The actions of a vaisya (merchant), in whom Rajas predominates and Tamas is subordinate to Rajas, are agriculture, etc. The action of a sudra (servant), in whom Tamas predominates and Rajas is subordinate to Tamas, is only servitude. Thus have been created the four castes according to the distribution of energies and actions.

## **Challenge**

### **American Heritage Dictionary**

- n.
1. A call to engage in a contest or fight.
  2. A demand for an explanation; a calling into question.
  4. The quality of requiring full use of one's abilities, energy, or resources.

### **Leon MacLaren - The Nature of Society, pp.2,6**

This civilization has scored its greatest success in the material sciences. Its glory is the willing application of these teachings to daily life. In them it has found the way of truth, but in the study of the forces governing relations between men, it has shown little aptitude.

So tragic is this failure that it turns the masterpieces of the material sciences into engines of destruction which threaten to annihilate the civilization which produced them.

This is the challenge of our time: either we must find the way of truth in the government of our relations one with another, or we must succumb to the results of our own ignorance....In order to progress men must understand the forces which dominate their life, and having understood them they must bring their institutions into conformity with them.

### **Jacob Needleman - Money and the Meaning of Life, pp.63-64**

...it is important to bear in mind this deep context [Christianity] in which the making of money, especially loaning at interest, was viewed with such distrust. The making of money, the accumulation of material goods, draws man to trust too much in the lower nature for his well-being. It draws us to give it first place. At the same time, the lower nature has a place, and a very strong place. The need for material well-being arises out of the transitory, but real, lower nature of man. And so the challenge of human life is that of rendering unto Caesar that which is Caesar's - no more and no less - and unto God that which is of God - no more and no less. The challenge is to live a two-natured life, according to the unique ontological structure of the human creature.



## **Chattel**

### **American Heritage Dictionary**

- n.    1.    An article of personal, movable property.  
      2.    A slave.

## **Christian**

### **American Heritage Dictionary**

- n.
1. One who professes belief in Jesus as the Christ or follows the religion based on his teachings.
  2. One who lives according to the teachings of Jesus.
  3. **Informal.** a. A human being as distinguished from an animal.  
b. A decent human being.

### **Georgia Harkness - The Sources of Western Morality, pp.228-231**

There is a tendency on the part of some in our time to equate capitalism - the system of free enterprise, private profit and private ownership - with a Christian society if not with the kingdom of God; on the part of others, to decry it as contrary to the teachings of Jesus. The truth lies in between. Jesus, of course, said nothing about capitalism, for except in the general form of the acquisitive impulse of men, it was unheard of in his day. But he denounced selfish money-getting with stinging words. There is nothing clearer in his teaching than his awareness of the perils of wealth to the soul. "You cannot serve God and Mammon" (Mt. 6:24). "It is easier for a camel to go through the eye of a needle, than for a rich man to enter the kingdom of God: (Mk. 10:25). Those who try to tone down this statement by making it apply to a mythical hole in the Jerusalem wall miss the splendid hyperbole by which Jesus stated the spiritual dangers inherent in wealth-getting. He knew that no man could serve two masters, and that the selfish quest of wealth dwarfs and destroys personality and dulls the sense of brotherhood which is the very essence of the kingdom of heaven. "With God all things are possible" gives no easy way of escape. Rather, so deep-rooted in man is the love of possessions that only divine power can break its hold. The injunction to the rich young man, "Go, sell what you have, and give to the poor, and you will have treasure in heaven" (Mk. 10:21), is not a universal summons to voluntary poverty and alms-giving; it is an affirmation of Jesus' conviction that only through the rooting out of cupidity can the heart be opened to receive God's treasure.

Repeatedly, Jesus affirms the supremacy of spiritual over material wealth. "A man's life does not consist in the abundance of his possessions" (Luke 12:15). "Seek first his [God's] kingdom and his righteousness" (Mt. 6:19). Earthly treasures are perilous and evanescent, spiritual treasures are eternal. The rich fool wanted to build bigger barns, thinking he had goods

laid up for many years, when God said to him, "Fool! This night your soul is required of you" (Luke 12:16-21). Thus unwise, says Jesus, is he that lays up treasure for himself and is not rich toward God.

Though Jesus clearly puts the wealth of the inner life in the foreground, it is to distort his words to assume that he had no concern for the material foundations of life. When he taught his disciples to say "Give us this day our daily bread," he probably meant material bread - the physical basis of sustenance. He enjoined men not to be overanxious about what to eat or drink or wear, but with no suggestion that these matters are unimportant. "Your heavenly Father knows that you need them all. But seek first his kingdom and his righteousness, and all these things shall be yours as well" (Mt. 6:2-4), but it is clear that he wanted none to suffer from lack of the material necessities of life.

Certain of the parables have an economic reference, though it is difficult to know just how far to push them with fidelity to the simplicity of Jesus' own economic outlook. There is the parable of the talents, with the faithful servants' added reward for diligent use, and the paradoxical, "To every one who has will more be given, and he will have abundance; but from him who has not even what he has will be taken away" (Mt. 25:14-29). To quote this, as is sometimes done even today, to justify riches as a divine reward for diligence with the inference that the poor are poor only because they are lazy, is to pervert Jesus' teaching (See Max Weber's The Protestant Ethic and the Spirit of Capitalism or the author's John Calvin: the Man and His Ethics for a discussion of how this idea during the formative period of capitalism gave religious sanction to the acquisitive impulse). The simpler meaning is the truer one - that every person is expected not to squander or bury his talents, whether material or personal, but to use them as gifts of God in the spirit of stewardship.

There is the parable, still more puzzling from ordinary human standards, of the laborers in the vineyard who stood idle and unemployed until the eleventh hour and then received as much as those who had worked all day (Mt. 20:1-16). Is Jesus here sanctioning the giving of equal pay to those who work and to those who do not? It is in keeping with his spirit that those who are unemployed through no fault of theirs should not be allowed to suffer, but this is probably not the meaning of the

parable. Rather, in the free, uncalculating mercy of God He gives rich reward to those who come late into His kingdom as well as to those who have borne the burden and heat of the day.

## **Civilization**

### **American Heritage Dictionary**

- n.
1. A condition of human society marked by an advanced state of development in the arts and sciences and by corresponding social, political, and cultural complexity.
  2. Those nations or peoples regarded as having arrived at this stage.
  3. The type of culture and society developed by a particular group, nation, or region, or by any of these in some particular epoch.
  4. The act or process of civilizing or of reaching a civilized state.

### **Samuel P. Huntington, "The Clash of Civilizations?", *Foreign Affairs* Summer 1993, pp.23-25**

What do we mean when we talk of a civilization? A civilization is a cultural entity. Villages, regions, ethnic groups, nationalities, religious groups, all have distinct cultures at different levels of cultural heterogeneity. The culture of a village in southern Italy may be different from that of a village in northern Italy, but both will share in a common Italian culture that distinguishes them from German villages. European communities, in turn, will share cultural features that distinguish them from Arab or Chinese communities. Arabs, Chinese and Westerners, however, are not part of any broader cultural entity. They constitute civilizations. A civilization is thus the highest cultural grouping of people and the broadest level of cultural identity people have short of that which distinguishes humans from other species. It is defined both by common objective elements, such as language, history, religion, customs, institutions, and by the subjective self-identification of people. People have levels of identity: a resident of Rome may define himself with varying degrees of intensity as a Roman, an Italian, a Catholic, a Christian, a European, a Westerner. The civilization to which he belongs is the broadest level of identification with which he intensely identifies. People can and do redefine their identities and, as a result, the composition and boundaries of civilizations change.

Civilizations may involve a large number of people, as with China ("a civilization pretending to be a state," as Lucian Pye put it), or a very small number of people, such as the Anglophile Caribbean. A civilization may include several nation states, as

is the case with Western, Latin American and Arab civilizations, or only one, as is the case with Japanese civilization. Civilizations obviously blend and overlap, and may include sub-civilizations. Western civilization has two major variants, European and North American, and Islam has its Arab, Turkic and Malay subdivisions. Civilizations are nonetheless meaningful entities, and while the lines between them are seldom sharp, they are real. Civilizations are dynamic; they rise and fall; they divide and merge. And, as any student of history knows, civilizations disappear and are buried in the sands of time.

Westerners tend to think of nation states as the principal actors in global affairs. They have been that, however, for only a few centuries. The broader reaches of human history have been the history of civilizations. In *A Study of History*, Arnold Toynbee identified 21 major civilizations; only six of them exist in the contemporary world.

**Georgia Harkness, The Sources of Western Morality, p.7**

To write the history of moral ideals is to write the history of civilization, for what men have dreamed they have lived by, and what they have lived by they have transmitted.

**Gandhi**

The essence of civilization consists not in the multiplication of wants but in their deliberate and voluntary renunciation.

**Sun Bear of the Chippewa Tribe**

I do not think that the measure of a civilization is how tall its buildings of concrete are, but rather how well its people have learned to relate to their environment and fellow man.

**Rabbi Alexander M. Schindler**

Add justice to the far-flung round of human endeavor and you have civilization.

## **Claim**

### **American Heritage Dictionary**

- v.-tr.     1. To demand as one's due; assert one's right to.  
          2. To state to be true; assert or maintain.  
          3. To deserve or call for; require.
- n.        1. A demand for something as one's rightful due;  
          affirmation of a right.  
          2. A basis for demanding something; title or right.  
          3. Something claimed, especially:  
              a. A tract of land staked out by a miner or  
                homesteader.  
              b. A sum of money demanded in accordance with an  
                insurance policy or other formal arrangement.  
          4. A statement of something as a fact; an assertion of  
          truth.

### **Theologica Germanica**

The Scripture and the faith and the Truth say, Sin is nought else, but that the creature turneth away from the unchangeable Good and betaketh itself to the changeable; that is to say, that it turneth away from the Perfect to 'that which is in part' and imperfect, and most often to itself. Now mark: when the creature claimeth for its own anything good, such as Substance, Life, Knowledge, Power, and in short whatever we should call good, as if it were that, or possessed that, or that were itself, or that proceeded from it - as often as this cometh to pass, the creature goeth astray. What did the devil do else, or what was his going astray and his fall else, but that he claimed for himself to be also somewhat, and would have it that somewhat was his, and somewhat was his, and somewhat was due to him? This setting up of a claim and his I and Me and Mine, these were his going astray, and his fall. And thus it is to this day.

### **Leon MacLaren - Lectures Volume 4, pp. 121-3**

It is what we lay claim to and hold on to as though it were our own, and which really belongs to the world, it is this that prevents us from knowing the Truth, it is this that is the barrier. And so we have to learn to abandon these absurd claims. They work in an extraordinarily forceful way and are sometimes not so easy to shift for that reason. They work like this: first of all you think: "this is mine"...something...and in no time after that you are thinking: "I am this." Take a very [simple] example: you find yourself connected with a body in some mysterious way; how is not quite clear, but there it is, you have got this body.

And you think this body is mine...is that right? Do you think it is yours, or does it belong to somebody else? And the next step is: "I am this", "I am this body." Now try and get out of that one! You will not get out of it until you stop thinking: "this body is mine"...do you see that? You cannot possibly get out of it so long as you think: "this body is mine". There is a nasty one, isn't it? It obviously is not; I have told you before and I will say it again: nothing is yours which can be taken away from you. And one thing that will most certainly be taken away is the body...totally, be removed, you will be in one place and the body will be somewhere else...and you would not want to be mixed up with where it is either! You will be glad to be somewhere else! But then you have not got it...do you see that? It has been taken away, you have not given it, you have had no option, so it cannot be yours.

kkk

It is a very simple thing; but so long as one thinks: "this body is mine", then one will automatically think: "I am this body" and that is not true. Everybody knows it is not true, but they still act as though it were, still think as though it were. And so the thinking must be wrong, it cannot be right. Any thinking based on: "I am this body" cannot be right. You see: "I am this body", and "You are that body" and "He is that body", that is not true, we know it is not true. But until we stop thinking: "This body is mine" we will behave as though it were true...do you see that? And this is how one gets caught.

...We all know we are not the body, we certainly know the brilliant or disordered body or whatever it happens to be at the time, yet we act as though we were, and that is because of the claim, we cannot escape the effect of the claim. And so it is that people are bound by their own claims, not by anything else, no one asked them to claim it. Supposing there is a very fine painter, a Leonardo or somebody, paints a painting and presents it to you; here it is, you may pay him a hundred ducats or something for it, which is about four pence, and then you say; "This is mine". Now by what conceivable stretch of the imagination could a Madonna by Leonardo be 'mine'? And yet this is the nonsense that people talk. And the very next moment: "I am this property owner", "I am this art collector", whatever it may be, "I am a man of property", "I am a man of taste", and so on. Well for goodness, stop being a dustbin!...collectors' antiques, you know. What prices people pay for rubbish. It is a good job they do; all the antique dealers would be out of business if they did not.

It is quite foolish, this question of furnishings and clothes and



so on. If a thing is thirty-five years old, even fifty years old, it is old-fashioned...the sort of things my father and mother used to have...I saw photographs of it. But let it be over fifty years, let it be seventy-five years old, then it is the fashion, it is 'in', and you pay the earth for it. So you have only got to wait for those thirty-five or fifty years to become fifty or seventy-five and the price goes through the roof. Now why? When I was a young man, what was called Victorian furniture was old lumber, nobody wanted it; you could buy it for sixpence. In fact impecunious young barristers were furnished with sixpenny furniture. But now what do you pay for it, the same stuff? Begin to see all this, it is not very true, it is just an ever-changing fashion in ideas, do you see that? It is all this thinking; it is not knowing. And so one has to begin to see that knowledge enters when ignorance leaves. While one holds on to the ignorance, knowledge cannot get in. We can hear it, we can agree with it, we can say: "Of course that is right", but it still does not get in, and it will only get in when the ignorance leaves. And the ignorance arises from claims; do you see that? We do not notice them, we say: "I am not the body, certainly I am not, this is ridiculous" and yet you still act as though it were. "No, I am not this body but it is mine"...do you see that? It is "but it is mine" that does the trick.

**His Holiness Shantanand Saraswati - The Man Who Wanted to Meet God, pp. 81-2**

The Self is a part of the Absolute. The Absolute is the source of all creation. The Self is surrounded by creation, and amid the multiplicity and diversity of creation it is ignorant of the unity and reality. The Absolute is limitless, creative, the giver, never claiming anything, for "He is." The Self is separated from the Creator only by ignorance. This is why we have limits or boundaries. We possess and we claim; this is all ignorance. The Absolute created the universe and we create boundaries - "This is my land, this is my country". In fact the land belongs to no one. You can claim it for a time, but in the end you have to leave everything behind. The Creator creates men; we create the 'Indian' and the 'English.' The creation is consciousness, but we do not see this because of our ignorance.

Once a holy man was traveling. In the evening he asked to stay for the night at a palace. He asked the doorkeeper who inquired of the owner. The owner refused and said that this was not an inn where people could drop in.

The holy man asked the owner, "Who built this palace?"

"My father", came the answer.

"Now you own the palace?"

"Yes, I am the owner."

"Who will own it after you?"

"My sons", said the owner.

"Who after your sons?"

"My grandsons."

"Then this looks like an inn," said the holy man, "because people seem to come and stay for some time and go. Wouldn't you call it an inn? Had it belonged to your father, he could certainly have taken it with him."

The owner realized his error. As long as Self is obscured by this ignorance, as long as it claims ownership, it will not remember, it will not unite with the Absolute. When one knows the truth, one breaks down the barrier and unites with the Absolute.

### **Eesha Upanishad - Verses 1-2**

Whatever lives is full of the Lord. Claim nothing; enjoy, do not covet His property.

Then hope for a hundred years of life doing your duty. No other way can prevent deeds from clinging, proud as you are of your human life.

## **Class**

### **American Heritage Dictionary**

- n.
- 1.a. A set, collection, group, or configuration containing members having or thought to have at least one attribute in common; kind; sort.
  2. Any division of people or objects by quality, rank, or grade.
  3. A social stratum whose members share similar economic, political, and cultural characteristics.
  - 4.a. The division of society into relative strata or ranks.
  - 4.b. Social rank or caste, especially high rank.

### **Kenneth Lux - Adam Smith's Mistake, p.99**

In The Wealth of Nations [Adam] Smith identifies three economic classes in British society. Ranging from the most privileged and powerful to the least, these are the landlords, the newly rising merchants and tradesmen, and the vast majority of the landless and propertyless, the old serf class. He has nothing good to say about the landlords, and he is also quite critical of the motives and interests of the businessmen - even 'pathologically suspicious,' according to economist and Smith scholar Nathan Rosenberg. But in regard to the laborer and worker he never utters a harsh or hostile word, and in this sense he is very different from Thomas Malthus and David Ricardo. Smith expresses allegiance to the workers whenever an opportunity presents itself.

## **Classical Economics**

### **Bronfenbrenner, et al. - Economics, p.G-4**

The school of economic thought, based on the ideas of Adam Smith (1723-1790), David Ricardo (1771-1823), and their successors, which was prominent in the first half of the nineteenth century.

## Community

### American Heritage Dictionary

- n.
- 1.a. A group of people living in the same locality and under the same government.
  - 1.b. The district or locality in which they live.
  2. A social group or class having common interests.
  3. Similarity or identity: *a community of interests*.
  4. Society as a whole; the public.
  5. **Ecology.** a. A group of plants and animals living in a specific region under relatively similar conditions.  
b. The region in which they live.
  6. Common possession or participation.

### **Leon MacLaren - The Nature of Society, p.162-3**

If, in order to live, a man must be his own huntsman, farmer, cook and house-builder, and cannot rely on others for any help, then, unless he is one of those who find the highest expression of themselves in such a rough and solitary life, he will have little time or energy for the development of his particular talents. To cultivate himself he must specialize; to specialize he must trade; and to trade he must live in a community: and as one comes finally to expect, man is gregarious by nature.

It is one of the primary functions of a community to set men free from the strictures of necessity, to give them scope to be themselves and to follow occupations of their own choice, in which they may grow to full stature in sensibility, skill, understanding, and achievement.

The man who is in love with his work will not degrade it for his customer, but while satisfying his customer will honour himself. Thus, his desires will be ordered so that he puts working towards finding and following his calling, first, and pleasing his customers, second. By this his customers will gain, for he will give of his best; but he will gain more, for he will be laying the foundation of a full life.

Where society is so conducted that many men and women are precluded from choosing an occupation suited to their particular talents, the desire to live and to live more fully, which moves so strongly in each of them, may run perverse and impel them to frustration and defeat. Fear of unemployment or of the orders of

government is an inversion of the desire to live. It will drive a human being into employment in which his genius cannot grow but must be limited and confined. Thus trapped, he may seek his freedom in many ways. Not infrequently, his interest in his work will be indirect, and he will treat it only as a means of obtaining something from others. He will seek a full life not in what he contributes to life, but in what he takes out of it, not through his work, but through what he receives for it. He will not be ashamed of jerry-building. This sterile attitude can only lead to demoralization.

Judged by these standards most modern communities are failures, because, no doubt, there are right ways and wrong ways of ordering a community and men have chosen wrong ways.

The first essential of human progress is that men and women should live in communities, the second that the community should be so ordered as to give full scope to the individuals who live in it. This scope can only be achieved where the individuals fulfill their fundamental duties to each other. What these duties are is to be discovered by understanding the very nature of human relationships, by ascertaining the natural laws governing life in society.

## **Corporation**

### **American Heritage Dictionary**

n. A body of persons granted a charter legally recognizing them as a separate entity having its own rights, privileges, and liabilities distinct from those of its members.

### **Bronfenbrenner, et al. - Economics, p. G-6**

A business firm chartered by the government and established as a legal person separate from its owners and managers; common features are unlimited life for the corporation and limited liability for individual shareholders.

## Credit

The belief or trust that a man will fulfill his economic obligations.

Purchasing power obtained by means of a promise to pay.

### American Heritage Dictionary

- n. 1. Belief or confidence in the truth of something; trust.
2. The quail  
ty or state of being trustworthy or credible: "*one of no less credit than Aristotle*" (Walton).
3. A reputation for sound character or quality; standing; repute.
4. A source of honor or distinction: *He is a credit to his family.*
5. Approval for some act, ability, or quality; praise.
6. Influence based on the good opinion or confidence of others.
- 10a. Confidence in a buyer's ability and intention to fulfill financial obligations at some future time.
- 10b. The time allowed for payment for anything sold on trust.
- 11a. Accounting. The acknowledgment of payment by a debtor by entry of the sum in an account.
- 11b. The right hand side of an account on which such amounts are entered. Compare *debt*.
- 11c. An entry on this side.
- 11d. The sum of such entries.
12. The positive balance or amount remaining in a person's account.
13. An amount placed by a bank at the disposal of a client, against which he may draw.

### Henry George - The Science of Political Economy, p.493

All such things as checks, drafts, notes, etc., though they largely dispense with and greatly economize the use of money, do so by utilizing credit. Credit as a facilitator of exchange is older than money and perhaps is even now more important than money, though it may be made into money, as gold may be made into money. But though it may be made into money, it is not in itself money, any more than gold of itself is money, and cannot, without



confusion as to the nature and functions of money, be included as money.

**Henry George - The Science of Political Economy, pp.506-7**

Now all this economizing in the use of money, which we are accustomed to think of as, and indeed in some of its forms really is, the latest development of a civilization that for immemorial ages has been accustomed to the use of money, is really in essence a return to something that must have been in use for the facilitating of exchanges before money was developed among men. That something is what we call trust or credit. Credit is today and in our highest civilization the most important instrument of exchange; and that it must have been from the very first appearance of man on this globe the most important instrument of exchange, any one can see, if he will only discard the assumption that invalidates so much of our recent philosophy and philosophic history - the assumption that the progress of civilization is a change in man himself - and allow even prehistoric man the same reasoning faculties that all we know of man in historic times shows to belong to him as man.

**Henry George - The Science of Political Economy, pp.510-511**

Trust or credit is indeed the first of all the instrumentalities that facilitate exchange. Its use antedates not merely the use of any true money, but must have been coeval with the first appearance of man. Truth, love, sympathy are of human nature. It is not only that without them man could never have emerged from the savage state, but that without them he could not have maintained himself even in a savage state. If brought on earth without them, he would inevitably have been exterminated by his animal neighbors or have exterminated himself.

Men do not have to be taught to trust each other, except where they have been deceived, and it is more often in our one-sided civilization, where laws for the collection of debts have weakened the moral sanction which public opinion naturally gives to honesty, and a deep social injustice brings about a monstrous inequality in the distribution of wealth, and not among primitive peoples, that the bond is oftenest required to back the simple word. So natural is it for men to trust each other that even the most distrustful must constantly trust others.

And trust or credit is not merely the first of the agencies of exchange in the sense of priority; it yet is, as it always has

been, the first in importance. In spite of our extensive use of money in effecting exchanges, what is accomplished by it is small as compared with what is accomplished by credit. In international exchanges money is not used at all, while the great volume of domestic exchange is in every civilized country carried on by the giving and cancellation of credits. As a matter of fact the most important use of money today is not as a medium of exchange, though that is its primary use. It is that of a common measure of value, its secondary use. Not only this, but with the advance in civilization the tendency is to make use of credit as money; to coin, as it were, trust into currency, and thus to bring into use a medium of exchange better adapted in many circumstances to easy transfer than metallic money. The paper money so largely in use in all civilized countries as a common medium of exchange is in reality a coinage of credit or trust.

## Debt

**An obligation or liability to pay or render something, such as goods, services, or money, to someone else.**

### American Heritage Dictionary

- n.
1. Something owed, such as money, goods, or services.
  2. An obligation or liability to pay or render something to someone else.
  3. The condition of having such an obligation. Usually used with *in*.
  4. Theology. An offense requiring forgiveness or reparation; sin; trespass.

### **Lanza del Vasto - Return to the Source, pp.96-7**

"I strongly advise you," he (Gandhi) said to me at the start, "to put all clerical work aside and busy yourself with your hands." The work of the hands is indeed the apprenticeship to honesty.

Honesty is a certain equality one establishes between what one takes and what one gives.

No man is dispensed by nature from working with his hands. Even the man who devotes himself to the incomparably superior activities of the mind is not dispensed from hard work unless he gives up everything that has cost labor in this world below. If he dispenses himself from it and does not give up what costs labor, he is putting his burden on others and remains in their debt. Mental work entitles him only to mental satisfaction, which is, moreover, incomparably superior.

Honesty requires that every problem shall be solved in its own sphere. Jumping from one sphere to another at the moment of settlement is cheating. Paying one's debt of labor with money is perhaps cheating, too, for money in the hands of someone who has never worked with his hands is a meaningless token. The debtor may be satisfied with it, but honesty cannot be.

One must first earn the right to give. Whoever has not paid his debt has no right to give.

Desires should be reduced to need. Manual labor will soon satisfy these; man will then find himself free. Good can only come from free men, and first and foremost from men free from debts and desires.

**Leon MacLaren - Lectures Volume 4, pp. 118-9**

But grasp so simple a fact: in order to be in trouble of any kind, you have to think you are someone else other than your Self. Your Self cannot be in trouble...never has been, never will be. So when you think you are in trouble, just remember that you are not that chap at all, you are not that chap that is in trouble, not in the least are you him, and perhaps that will help you out. You see, while you are convinced you are that man, how can you get out? Supposing now someone tells you, you owe another man a hundred thousand pounds, and you think: "I am the man who owes that chap a hundred thousand pounds." Then you are in trouble...is that right?

There was another story about this, it was actually a Jewish story, I was a very good one: Sarah and Abraham were trying to sleep and Abraham could not sleep, he was tossing and turning. Sarah said to him: "Abraham, what is troubling you? He said: "I owe Isaac a hundred pounds, and I cannot pay him." So Sarah said: "Is that what it is?" So she went to the window and she flung it up, and she called across to the next block: "Isaac!" So Isaac came to the window, and threw it up. He was very fast asleep, and [he] said: "What is it, mother?" She said: "Abraham says he owes you a hundred pounds." "Yes, mother." "He says he cannot pay you... you do the worrying!"

## **Demand**

### **American Heritage Dictionary**

- v. 1. To ask for urgently or firmly, leaving no chance for refusal or denial.
2. To claim as just or due.
3. To ask to be informed of.
4. To need or require as useful, just, proper, or necessary.
5. *Law.* a. To summon to court.  
b. To claim formally: lay legal claim to.
- n. 1. The act of demanding.
2. Something that is demanded.
3. a. The state of being sought after.  
b. An urgent requirement, need, or claim: *an increased demand for capital goods.*
4. *Economics* a. The desire to possess something combined with the ability to purchase  
it. b. The amount of any commodity that people are ready and able to buy at a given time for a given price.

### **Epicurus**

The wealth demanded by nature is both limited and easily procured; that demanded by idle imaginings stretches on to infinity.

### **Henry George - Social Problems, p.120**

Demand (which is a different thing from desire, as it involves purchasing power) is the asking for things in exchange for an equivalent value of other things. Supply is the offering of things in exchange for an equivalent value of other things. These terms are therefore relative; demand involves supply, and supply involves demand. Whatever increases the quantity of things offered in exchange for other things at once increases supply and augments demand. And, reversely, whatever checks the bringing of things to market at once reduces supply and decreases demand.

## Desire

### American Heritage Dictionary

- tr.v.1. To wish or long for; want, crave.  
2. To express a wish for.  
n. 1. A wish, longing, or craving.  
2. A request as expressed; a petition.  
3. Something or someone longed for.  
4. Sexual appetite; passion.

### **Adam Smith -The Wealth of Nations, Chapter 11, Part II, Book 1**

The rich man consumes no more food than his poor neighbor...The desire of food is limited in every man by the narrow capacity of the human stomach; but the desire of the conveniences and ornaments of building, dress, equipage, and household furniture seems to have no limit or certain boundaries.

### **Leon MacLaren - Lectures Volume 4, pp. 139-40**

Question:

Is Nature then the cause of every desire?

MacLaren:

Not every desire, no. There are certain natural desires: a desire to marry, and so on, are natural desires; hunger, thirst, these are natural desires, the desire for rest, these things. There are these natural desires, but in addition to those, and quite apart from them, are personal desires; one's own desires as it were. They come from past lives. A very powerful source of them is former lives. They come from the pressures of company, the company you keep, their similar desires become current, and they come from the work you do...I mean spiritual work you do, which changes your desires, it has that effect; and so they come in these ways, but these are desires apart from Nature's. Nature's desires are such as: marrying and having children, hunger, thirst, need for sleep, all these things, these are natural. But we have in addition to those an enormous list of personal desires, and they have come by other routes, so one distinguishes.

Now the desire to return to your Self is an Absolute desire, it is not yours either, in an individual sense, because it is in us all, and there are certain desires of the Absolute but they are enormous, and they are such as that a human being should realize himself while in a human body, that is an Absolute desire, the desire of a totally different order, and that can take you out of

all the others that stand in its way...not all, but those that stand in its way. So you have these three brands of desire: the Absolute desire, the natural desires which arise from the process of living in the world, and the personal desires, those three levels of desires.

## **Dharma**

### **American Heritage Dictionary**

n. Hinduism & Buddhism. 1. The ultimate law of all things.  
2. Individual right conduct in conformity to this law.

[Sanskrit, law.]

### **The Columbia Encyclopedia**

In Hinduism, the doctrine of the religious and ethical rights and duties of each individual. It refers generally to duty ordained by religion, but may also mean simply virtue, or right conduct. Sacred law is the codification of dharma, and Hinduism is also called Sanatana Dharma [the eternal dharma]. In Buddhism, dharma has two distinct meanings: It refers to religious truth, namely Buddhist teaching as the highest truth; it is also used to denote a quality, a condition of being, or any existing thing or phenomenon.

### **Bhagavad Gita - Winthrop Sargeant, Forward pp.XXI-XXII, Swami Samatananda**

This brings us to one of the most sublime teachings of the Bhagavad Gita, the teaching of *Dharma* or duty. Spirituality is never an escape from mundane responsibilities. It is expressed *through* our life. In fact Krishna *demands* that we fulfill our allotted duty, or dharma. Everyone it is said has a dharma, a role in life which is true and appropriate for that person. To find our own dharma and follow it faithfully is an essential aspect of spiritual life. What is dharma? Shakespeare describes it perfectly in Hamlet, when Polonius says:

This above all, to thine own self be true,  
And it must follow as the night the day,  
Thou canst not then be false to any man.

The nature of a thing and its dharma are identical. It is the 'dharma' of fire to burn. It is the dharma of water to be wet - essence and function are the same. In the same way our duty and our true nature must not remain separated. What we do must be an expression of what we are.

The great danger of spiritual life is that we waste a great deal of our time acting out our acquired concepts of it, wondering how we *should* be instead of seeing how we *are*. Young western seekers



change their names and their dress. In the name of some half-understood religious ideal they renounce their homes and jobs. For many this may be a necessary state in their growth, but ultimately, if the path they are following is true, they will return somewhat to all they have rejected and assimilate it into their new-found world-view. I remember a young man who visited Muktananda once. He told Muktananda, "To try to find God I've become a Muslim, a Buddhist, and a Sufi, and now I'm in India and I'm becoming a Hindu, but still I don't feel any peace." Cryptically the Swami replied, "Don't try to become what you are not." This one remark summarizes the entire teaching of dharma. As Krishna says, "Better one's own duty, though imperfect, than the duty of another well performed." (XVIII: 47)

**Hari Prasad Shastri - Self-Knowledge, Volume 45, Number 4, pp.145-6**

When a man's economic needs have been satisfied, then he must be educated in dharma, in the liberal arts, literature and philosophy... Our acts, our speech and our thoughts must spring from a living feeling of dharma. This great law of righteousness and harmony, peace and upliftment of the heart, must prompt us to right action and right speech in our life.

**Hari Prasad Shastri - Self-Knowledge, Volume 46, Number 2, p.74**

When someone begins to practice Adhyatma Yoga, the discipline enables him gradually to free himself from the domination of the lower mind (manas) and the emotions. The result is that the Buddhi (higher mind) comes into play and, instead of always trying to think things out and to work out the probable effects of favorable and unfavorable factors, he begins to see and recognize the totality of the situation impartially and from an objective standpoint. A new sentiment begins to enter into the situation through which satisfaction is felt in the value of the action as such. The man no longer asks: 'What do I want out of this? What is best for me?' but "What is the right thing to do in these circumstances? What is required of me?' This new sentiment is an aspect of what in the Hindu doctrine is called dharma. The disciple feels a new sense of self-respect; he feels he is growing up and no longer acting as a selfish child. Instead of thinking that the whole universe exists for his benefit, as a small child does, he begins to live for others and to act for results other than the exclusive and limited good of his own ego.

**Hari Prasad Shastri - Self-Knowledge, Volume 46, Number 2, p.57**

There are four purposes to life, mind it!

The first purpose is to live in accordance with the law of harmony, called dharma.... If you study the *Bhagavad Gita* it is very clear indeed: 'No infliction of suffering, devotion to the Lord, friendliness', it is all one, this great law.

The second purpose is to create wealth; not money, not to rob others, but to create wealth.

The third is to enjoy legitimate pleasures....

The fourth purpose is the most important, the crest of this ladder, and it is to find your identity with God, the supreme Ruler.

**The Bhagavad Gita - With the commentary of Shri Sankaracharya, p.121**

"7 Whenever there is a decay of religion, O Bharata, and an ascendancy of irreligion, then I manifest Myself."

*Religion:* Dharma as embodied in the institution of castes (varna) and religious orders (asrama) which are the means of attaining worldly prosperity and salvation. Whenever there is a decay of religion (Dharma), ... I manifest Myself through Maya.

## **Diminishing Returns, Law of**

### **The Columbia Encyclopedia**

In economics, law stating that if one factor of production is increased while the others remain constant, the overall returns will relatively decrease after a certain point. Thus, for example, if more and more laborers are added to harvest a wheat field, at some point each additional laborer will add relatively less output than his predecessor did, simply because he has less and less of the fixed amount of land to work with. The principle, first thought to apply only to agriculture, was later accepted as an economic law underlying all productive enterprise. The point at which the law begins to operate is difficult to ascertain, as it varies with improved production technique and other factors. Anticipated by Anne Robert Jacques Turgot and implied by Thomas Malthus in his *Essay on the Principle of Population* (1798), the law first came under examination during the discussions in England on free trade and the corn laws.

## **Direction**

### **American Heritage Dictionary**

- n.
1. The act or function of directing.
  2. Management, supervision, or guidance of some action or operation.
  5. Usually plural. An instruction or series of instructions for doing something.
  6. An order or command; authoritative indication.
  9. A course or area of development; tendency toward a particular end or goal.

### **Henry George - Progress and Poverty, p.77**

The demand for consumption determines the direction in which labor will be expended in production.

## **Distribution**

### **American Heritage Dictionary**

Distribute tr.v.

1. To divide and dispense in portions; parcel out.
2. To deliver or pass out.
3. To spread or diffuse over an area. Often used in the passive: a widely distributed species.
4. To separate into categories; classify.
5. Logic. To use (a term) so as to include all individuals or entities of a given class.

Synonyms: distribute, divide, dispense, dole, deal, ration.

These verbs mean to give something as a portion or share.

Distribute is the least specific.

Divide implies giving out portions determined by plan and purpose, often equal parts or portions based on what is due or deserved.

Dispense stresses even more the sense of careful determination of portions according to what is considered due or proper.

Dole (usually followed by out) implies careful and scant measurement of portions; often it applies to distribution of charity or something given reluctantly.

Deal suggest orderly and equitable distribution, piece by piece.

Ration refers to equitable division of scarce items, often necessities, by a system that limits individual portions.

### **Distribution - Microsoft (R) Encarta.**

Distribution, in economics, term applied to two different, but related, processes: (1) the division among the members of society, as individuals, of the national income and wealth; and (2) the apportionment of the value of the output of goods among the factors or agents of production - namely, labor, land, capital, and management. The division or apportionment of this value takes the form of monetary payments, consisting of wages and salaries, rent, interest, and profit. Wages and salaries are paid to workers and managers; rent is paid for the use of land and for certain kinds of physical objects; interest is paid for the use of capital; and profit is realized by the owners of business enterprises as a reward for risk taking.

Recipients of these payments do not receive equal parts of the total. The formulation of the economic laws governing the

division of the total of these payments into their various forms and relative portions constitutes the central problem of economic theory in distribution.

**Sitting Bull -**

The white man knows how to make things but not distribute them.

**David Ricardo - The Principles of Political Economy and Taxation, p. 3**

The produce of the earth - all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community, namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the laborers by whose industry it is cultivated.

But in different stages of society, the proportions of the whole produce of the earth which will be allotted to each of these classes, under the names of rent, profit, and wages, will be essentially different; depending mainly on the actual fertility of the soil, on the accumulation of capital and population, and on the skill, ingenuity, and instruments employed in agriculture.

To determine the laws which regulate this distribution is the principal problem in Political Economy.

**Henry George - The Science of Political Economy, p. XL**

For in the present social conditions of the civilized world nothing is clearer than that there is some deep and wide-spread wrong in the distribution, if not in the production, of wealth. This it is the office of political economy to disclose, and a really faithful and honest explication of the science must disclose it.

**Henry George - The Science of Political Economy, p.427**

In a logical division of the field of political economy, that which relates to the distribution of wealth is the final part. For the beginning of all the actions and movements which political economy is called on to consider is in human desire. And their end and aim is the satisfaction of that desire. When this is reached political economy is finished, and this is reached with the distribution of wealth.

**Henry George - The Science of Political Economy, p.428-9**

As a term of political economy, distribution is usually said to mean the division of the

results of production among the persons or classes of persons who have contributed to production. But this as we shall see is misleading, its real meaning being the division into categories corresponding to the categories or factors of production.

In entering on this branch of our inquiry, it will be well to recall what, in Book I, I have dwelt upon at length, and what is here particularly needful to keep in mind, that the laws which it is the proper purpose of political economy to discover are not human laws, but natural laws. From this it follows that our inquiry into the laws of the distribution of wealth is not an inquiry into the municipal laws or human enactment's which either here and now, or in any other time and place, prescribe or have prescribed how wealth shall be divided among men. With them we have no concern, unless it may be for purposes of illustration. What we have to seek are those laws of distribution of wealth which belong to the natural order - laws which are a part of that system or arrangement which constitutes the social organism or body economic, as distinguished from the body politic or state, the Greater Leviathan that makes its appearance with civilization and develops with its advance. These natural laws are in all times and places the same, and though they may be crossed by human enactment, can never be annulled or swerved by it.

It is more needful to call this to mind, because in what have passed for systematic treatises on political economy the fact that it is with natural laws, not human laws, that the science of political economy is concerned, has in treating of the distribution of wealth been utterly ignored, and even flatly denied.

**Henry George - Social Problems, p.194**

The main source of the difficulties that menace us is the growing inequality in the distribution of wealth. To this all modern inventions seem to contribute, and the movement is hastened by political corruption, and by special monopolies established by abuse of legislative power. But the primary cause lies evidently in fundamental social adjustments - in the relations which we have established between labor and the natural material and means of labor - between man and the planet which is his dwelling-place, workshop and storehouse. As the earth must be the foundation of every material structure, so institutions which regulate the use of land constitute the foundation of every social organization, and must affect the whole character and development of that organization.

## **Dogma**

### **American Heritage Dictionary**

- n.
1. Theology. A system of doctrines proclaimed true by a religious sect.
  2. A principle, belief, or statement of idea or opinion, especially one formally or authoritatively considered to be absolute truth.
  3. A system of such principles or beliefs.

### **Jacob Needleman - Money and the Meaning of Life, p.63**

This, in brief, is why there was such a thing as *dogma* - in the positive sense of the word: namely, a teaching, a worldview, a system of ethical rules and principles, customs, symbols, and images that could call men and women to that which they would never be able to experience in their everyday state of consciousness. It is a narrow prejudice of our own era that so many view *dogma* with complete disdain.



## Duty

### American Heritage Dictionary

- n.
1. An act or a course of action that is exacted of one by position, social custom, law, or religion.
  2.
    - a. Moral obligation.
    - b. The compulsion felt to meet such obligation.
  3.
    - a. A service assigned or demanded of one, especially in the armed forces.
    - b. Function; work.
  4. A tax charged by a government, especially on imports.

### **Kenneth Lux - Adam Smith's Mistake, p.99**

The paternalistic nature of the English social system was carried through in the mercantilism that Adam Smith, in the spirit of the Enlightenment, set out to attack. The English aristocracy justified their highly privileged position in regard to the yeoman masses by the duties and obligations that they provided for the well-being of those masses - and this was part of the mercantilist's concept of the 'wealth of nations.' By Smith's time, though, the aristocracy's sense of responsibility to carry out these duties and obligations had worn quite thin, and more and more their privileged position resembled a paltry excuse for exploitation. The actuality of this exploitation, and the Enlightenment outrage at it, are evident throughout Smith's own Wealth of Nations.

### **Marsilio Ficino - The Letters of Marsilio Ficino Volume 3, pp. 65-7**

Duty is the action proper to each man, which keeps to what is fitting and honorable as circumstance, person, place and time require.

The virtue and duty of the priest are a wisdom that glows with piety, and a piety that shines with wisdom. The duty of the prince is to watch over all; mercy in justice, humility in greatness and greatness in humility. The duty of the magistrate is to remember that he is not the master but the servant of the law, and the public guardian of the state; furthermore, that while he is judging men he is being judged by God. The duty of the private individual is to obey the magistrates' commands so willingly that he seems not to be compelled by the necessity of the law but to be led by his own will. The duty of the citizen, whether he be a magistrate or private individual, is to care as

greatly for the public interest as he greatly cherishes his own. The duty of the knight is bravery in war and noble action in peace; of the merchant, with true faith and diligence to nourish both the state and himself with good things from abroad; of the tradesman, honestly to distribute the provisions received from the merchant to each member of the state. Merchants, craftsmen and others should so seek wealth that they harm no one. For whatever arises from evil in the end falls back into evil. Let them keep their wealth in such a way that they do not seem to have acquired it in vain, nor just for the sake of keeping it. Let them so spend that they may long be able to spend, and may prove to have spent honestly and usefully. The duty of the farmer is to consider the weather, and to consult older farmers on when to cultivate the land, and also to offer the fruits of the farm to his guests with trust and liberality equal to that of the farm which yielded those fruits to him with interest.

The duty of the master is to serve law and reason, so that he can rule his servants lawfully and reasonably; to consider the servant to be a man as much as the master, and always to combine humanity with authority. The servant's duty is to regard his own life as his master's, and his master's interest as his own; the husband's to love his wife as his own body and faculty of perception, and most carefully to lead her; the wife's to honor her prudent husband as if he were her mind and reason, and to follow him most willingly. The duty of the father is to cherish his sons as branches of his own life which have taken root, and to keep them upright by his own best example as if they were parts of himself; of the sons, to follow their father as their root and head, and to revere him as a second God; of a brother, to be disposed towards his brother as to a second self; of blood relatives, mutually to love each other as members of the same body; of those related by marriage, to remember that they have been joined by law as if it were by nature, and that they should share their possessions and labors.

The duty of friends is to seek the truth by taking counsel together, and to pursue the good by helping each other; of the teacher, by his instruction and his own goodness, to beget a learned and good disciple as if he were bringing to birth a child of his own mind. I desire, if I may, to warn teachers not to forget that Aristotle spurned the divine Plato. The duty of the pupil is to honor his teacher as if he were the father of understanding, but to beware of unknowingly absorbing the teacher's faults; that of the lawyer to be the most venerable of

men, and to know that a man who corrupts the sacred law should be punished as for a sacrilege by a more sever penalty than a man who debases the coinage.

The duty of the doctor when he visits the sick is to realize that a life is at stake, so that he dare not attempt anything without a reason nor without a purpose; of the orator, to have already convinced himself of those matters of which he would persuade others. The duty of the poet, so that he be able to depict nature and character, is to have observed them both. The duty of the musician is to portray the beauty of song in sound, and the fineness of speech in song. It is also his duty to remember that harmony in the motions of the soul is far more needful than harmony in voices. For ill proportioned and a stranger to the muses is the musician to whom, while voice and lyre sound harmoniously together, mind sounds discordantly. David and Hermes Trismegistus command that, as we are moved by God to sing, of God alone we should sing.

The philosopher should seek most diligently for divine things so that he may enjoy them, and investigate natural things so that he may use them. Let him give aid to human affairs but not be buried in them. The philosopher is unique in this: that he is rightly not pressed by Plato and Aristippus to hazard his life for his country. Indeed, this pleases me also, because, as it seems to me, a philosopher is a philosopher against the will of the state in which he is born and in spite of its active resistance; and he is a son of heaven, not of earth. Moreover, it seems to be wholly without reverence or respect for God, and full of affliction, to lose an all-seeing man to save the blind who, perhaps, can never be made whole.

A man should beware of being effeminate in any way. A woman should strive to have the spirit of a man in some measure, but above all to be modest. As magnanimity becomes a man, so modesty becomes a woman. Let the old man watch that he be not childish; let him remember that he has been a young man himself. The adolescent should take care to be like the old man. He should admit that he can age, and should honor his elders.

A man's duty to the country of his birth is to care for it as the father of his father and the mother of his mother; and, when he has dealings with travelers from abroad, to bear in mind that he will at some time be a wanderer himself. It is the duty of both native and foreigner to know he is himself alone, to honor all

men, and scarcely to touch - let alone manage - the affairs of others.

The fortunate man should understand that the good things of fortune are good only to the good man; and that after fair weather comes the rain. The unfortunate man should reflect that the evil which fortune brings is evil only to the evil man, and after days of rain he should expect fair weather. For we see that Spring restores to the trees the leaves which Winter took away.

Since man cannot live content in earth, he should realize that he is indeed a citizen of heaven, but an inhabitant in earth. He should therefore strive to think, say and do nothing which does not become a citizen of the kingdom of Heaven.

### **Anonymous**

By virtue of being human, all mankind's potential for spiritual wisdom is ours. The scientific title of humanity is Homo Sapiens [Sapient - adj. - Having wisdom; wise; discerning. Usually used ironically]. But who could address each and everybody as 'Your Sapience' without an occasional touch of irony? The principal cause of our non-sapience is self-identification with body, color, family, caste, narrow creed and nationality. The cardinal duty of mankind is to emulate the wisest among us. We must strive to join the ranks of homo sapientissimus. Yoga is a call to do so with such vigor that the universal truths on which all the great faiths are founded are realized. To believe that we can become wise is itself an act of faith, which needs to be defended against doubt. The great faiths may also need to be defended against distortion. But when faith has culminated in realization, no further defense will be needed.

### **Leon MacLaren - Lectures Vol 1, pp.44-45**

Question:

Yes, Mr. MacLaren. In the beginning of your statement you referred to three things the Sankaracharya had said; one was duty. I was rather hoping you would say something about that?

MacLaren:

Yes, certainly. The word for it is kartavya. First of all, it is the action of the Will of the Absolute through the nature of the individual...that is not, I'm sorry, that is not right. It is the action of the Will of the Absolute through nature itself, Mother Nature, reflected in the nature of the individual. That is the first thing about it. And the second is, that it is the

relationship between the individual as he is, that is to say the Atman reflected in the individual, and the Atman of the universe. That is what it is.

Now, to put it very simply, it is the relation between the individual as he is, and that which is larger than he is...larger in the sense of a larger embodiment. It is not, as is commonly thought, a relationship between one individual and another individual. This is the common view: that I have a duty to you and you have duty to me, you know the sort of thing; this is a mistake.

For example, the members of the family may have a duty to the family, which contains the all, and the family...and there are many families...a duty to the community, which contains them all.

It is the relationship always with Atman, reflected in the individual and the Atman reflected in the greater body; and that is the nature of duty. You see, take a simple case: the father of a family, of a household, of an ordinary household; now it is his duty, amongst other things, to do justice between members of his household...it is one of the things he is supposed to do. Now how is he going to do that? By relating the whole household, the whole family, to a larger entity...say the community...a larger entity, and by reference to that, he will know what is just. That is a very simple way of putting it; it is always in relation to a larger entity. This must be so, otherwise it becomes ridiculous. It is the relation to the larger entity that contains both; you follow?

Now, how can I help with this? You see, basically it is the...at bottom...it is the relation of the individual, that is the Atman reflected in an individual embodiment, and the Absolute itself. That is basically what it is. That is the truth, the simple truth, of the matter.

Now according to the nature as it reflects in this particular man, one man will want to respond to the Absolute by devotion, by worship; another will want to respond by knowledge, by reason. This way, he will want to know about the Absolute and His ways and His Will and so on; and yet a third will want to simply serve the Absolute in any way he can...you follow this?

And that is the basis of all duty. It is always this. If one understand the basis, then the applications in the various levels of creation become obvious. It is the basis that matters.

## **Earnings**

### **American Heritage Dictionary**

pl.n.        Something earned, especially:

- a.    The salary or wages of a person.
- b.    The profits of a business enterprise.
- c.    Gains from investment.

## **Earth**

### **American Heritage Dictionary**

- n.
1. The land surface of the world, as distinguished from the oceans and air.
  2. The softer, friable part of land; soil; especially, productive soil.
  3. The dwelling place of mortal men, as distinguished from heaven and hell; the temporal world.
  4. All of the human inhabitants of the world: *The earth received the news with joy.*
  5. Worldly affairs; temporal matters, as distinguished from spiritual concerns; *the temptations of the earth.*
  6. The material body of the human being considered as made of dust and clay.

### **Jacob Needleman - Money and the Meaning of Life, p.224**

God thus provides for both parts of human nature. For man's biological part, God provides as He provides for all of the natural world, the world of mutual feeding and exchange - food, water, air, and the physical necessities. In this aspect, man is a species among species. In this aspect he is "earth"- the Hebrew word for earth being Adam.

### **The Bible - Psalm 24, Verse 1**

The earth *is* the Lord's, and the fullness thereof: the world, and they that dwell therein.



## **Economic development**

**Bronfenbrenner, et al. - Economics, p. G-9, 7**

Economic growth plus other changes that are judged to constitute progress or to make life better; progress in some sense that makes life better in an economy or society and brings gains in welfare for the people...economic development means economic growth plus improvements in the quality of life and distribution of goods and services.

## **Economic growth**

**Bronfenbrenner, et al. - Economics, p.G-9,6**

Increasing per capita real output in an economy...economic growth means more output per capita of essentially the same collection of goods and services.

## **Economics**

**Economics is the social science that studies the nature of wealth and the laws, natural and man-made, governing its production and distribution.**

### **American Heritage Dictionary**

n. The science that deals with the production, distribution and consumption of commodities.

### **Microsoft (R) Encarta**

Economics, social science concerned with the production, distribution, exchange, and consumption of goods and services.

### **The Columbia Encyclopedia**

Study of the supplying of man's physical needs and wants.

### **Economics Part One [1979 material] - Session 1, p.3**

The word "economy" means good housekeeping, and economics is the study of good housekeeping by the community. It is one of the great bodies of learning which sustain the art of government, and is to be numbered with law, ethics and certain branches of philosophy.

### **Economics Study Group - 1989**

Economics is the study of Man - Man living in the community. It seeks to discover the natural law governing man in society in the production and distribution of wealth.

### **Paul A. Samuelson & William Nordhaus - Economics [Textbook - Sixteenth Edition], p.4**

Economics is the study of how societies use scarce resources to produce valuable commodities and distribute them among different people.

### **Alfred Marshall - Principles of Economics, p.1**

A study of mankind in the ordinary business of life; it examines that part of individual and social action which is most closely connected to the attainment and with the use of the material requisites of well being.

### **Campbell McConel - Economics [textbook], p.21**

Economics can be defined as the social science concerned with the problems of using or administering scarce resources (the means of producing) so as to attain the greatest or maximum fulfillment of

society's unlimited wants (the goal of producing).

**Bronfenbrenner, et al. - Economics [textbook], p.2, G-9**

Economics is (a) the study of how individuals and societies deal with scarcity and (b) the development of methodologies for analyzing such problems.

...the social science concerned with using or administering scarce resources so as to attain the greatest or maximum fulfillment of society's wants; a method rather than a doctrine, an apparatus of the mind, a technique of thinking that helps its possessor to draw correct conclusions.

**Henry George - The Science of Political Economy, Introduction p.64**

The earliest, and as I think sufficient, definition of Political Economy, is, the science that treats of the nature of wealth, and of the laws of its production and distribution.

...If political economy is a science - and if not it is hardly worth the while of earnest men to bother themselves with it - it must follow the rules of science, and seek in natural law the causes of the phenomena which it investigates. With human law, except as furnishing illustrations and supplying subjects for its investigation, it has, as I have already said, nothing whatever to do. It is concerned with the permanent, not with the transient; with the laws of nature, not with the laws of man.

**Henry George - The Science of Political Economy, pp.128-129**

Since the term comes into our language from the Greek, the proper word for expressing the idea of relationship to political economy is "politico-economic." But this is a term too long, and too alien to the Saxon genius of our mother tongue, for frequent repetition. And so the word "economic" has come into accepted use in English, as expressing that idea. We are justified therefore, in supposing, and as a matter of fact do generally suppose when we first hear of them, that the works now written by the professors of political economy in our universities and colleges, and entitled "Elements of Economics," "Principles of Economics," "Manual of Economics," etc., are treatises on political economy. Examination, however, will show that many of these at least are not in reality treatises on the science of political economy, but treatises on what their authors might better call the science of exchanges, or the science of exchangeable quantities. This is not the same thing as political

economy, but quite a different thing - a science in short akin to the science of mathematics. In this there is no necessity for distinguishing between what is wealth to the unit and what is wealth to the whole, and moral questions, that must be met in a true political economy, may be easily avoided by those to whom they seem awkward.

A proper name for this totally different science, which the professors of political economy in so many of the leading colleges and universities on both sides of the Atlantic have now substituted in their teaching for the science they are officially supposed to expound, would be that of "catallactics," as proposed by Archbishop Whately, or that of "plutology," as proposed by Professor Hern, of Melbourne; but it is certainly not properly "economics," for that by long usage is identified with political economy.

Both the reason for, and what is meant by, the change of title from political economy to economics, which is so noticeable in the writings of the professors of political economy in recent years, are thus frankly shown by Macleod (Vol. I., Chapter VII., Sec. 11, "Science of Economics"):

We do not propose to make any change at all in the name of the science. Both the terms 'Political Economy' and 'Economic Science,' or 'Economics,' are in common use, and it seems better to discontinue that name which is liable to misinterpretation, and which seems to relate to politics, and to adhere to that one which most clearly defines its nature and extent and is most analogous to the names of other sciences. We shall, therefore, henceforth discontinue the use of the term 'political economy' and adhere to that of 'economics.' Economics, then, is simply the science of exchanges, or of commerce in its widest extent and in all its forms and varieties; it is sometimes called the science of wealth or the theory of value. The definition of the science which we offer is:

Economics is the science which treats of the laws which govern the relations of exchangeable quantities.

Now the laws which govern the relations of exchangeable quantities are such laws as  $2+2=4$ ;  $4-1=3$ ;  $2 \times 4=8$ ; and their extensions.

The proper place for such laws in any honest classification of the sciences is as laws of arithmetic or laws of mathematics, not as laws of economics. And the attempt of holders of chairs of political economy to take advantage of the usage of language which has made "economic" a short word for "politico-economic" to pass off their "science of economics" as if it were the science of political economy, is as essentially dishonest as the device of the proverbial Irishman who attempted to cheat his partners by the formula, 'Here's two for you two, and here's two for me too.'

### **John Maynard Keynes**

The study of economics does not seem to require any specialized gifts of an unusually high order. Is it not, intellectually regarded, a very easy subject compared with the higher branches of philosophy or pure science? An easy subject, at which very few excel! The paradox finds its explanation, perhaps, in that the master-economist must possess a rare combination of gifts. He must be mathematician, historian, statesman, philosopher - in some degree. He must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought. He must study the present in the light of the past for the purposes of the future. No part of man's nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet sometimes as near the earth as a politician.

### **Robert L. Heilbroner - The Making of Economic Society, p.2**

Economics is essentially the study of a process we find in all human societies - the process of providing for the material well being of society. In its simplest terms, economics is the study of how man earns his daily bread.

### **Robert L. Heilbroner - The Worldly Philosophers, pp.14,16**

Economics, it is said, is undeniably important, but it is cold and difficult, and best left to those who are at home in abstruse realms of thought.

Nothing could be further from the truth. A man who thinks that economics is only a matter for professors forgets that this is the science that has sent men to the barricades. A man who has looked into an economics textbook and concluded that economics is boring is like a man who has read a primer on logistics and decided that the study of warfare must be dull.

No, the great economists pursued an inquiry as exciting - and as dangerous - as any the world has ever known. The ideas they dealt with, unlike the ideas of the great philosophers, did not make little difference to our daily working lives; the experiments they urged could not, like the scientists', be carried out in the isolation of a laboratory. The notions of the great economists were world-shaking, and their mistakes nothing short of calamitous.

...Hence they can be called the worldly philosophers, for they sought to embrace in a scheme of philosophy the most worldly of all of man's activities - his drive for wealth. It is not, perhaps, the most elegant kind of philosophy, but there is no more intriguing or more important one. Who would think to look for Order and Design in a pauper family and a speculator breathlessly awaiting ruin, or seek Consistent Laws and Principles in a mob marching in a street and a greengrocer smiling at his customers? Yet it was the faith of the great economists that just such seemingly unrelated threads could be woven into a single tapestry, that at a sufficient distance the milling world could be seen as an orderly progression, and the tumult resolved into a chord.... It is this search for the order and meaning of social history that lies at the heart of economics.

**Robert L. Heilbroner - Behind the Veil of Economics, pp.7-8,14**

In the prevailing conception, economics is the study of our society as a "price system" - that is, a study of the manner in which the private and self-interested activities of the individuals are given coherence and design by the workings of the market mechanism. This ancient and fascinating problem, for which Adam Smith supplied an answer in the Invisible Hand and Karl Marx in the laws of motion of capitalism, remains central to the analytical task of economics - but not central to its constitutive nature. It is what economics does, but not what economics is.... I am more interested in economics as a veil that obscures our social understanding than as a technique for discovering how our society works. What does the veil obscure? That the price system is also a system of power; that the work of analysis is inescapably colored by ideology and initiated by untestable "visions"; that the object over which the veil is spread is not a collection of individuals but a specific social order to which we give the name capitalism.

...Economics, as I see it, is the process by which society marshals and coordinates the activities required for its provisioning.

**Robert L. Heilbroner - Behind the Veil of Economics, pp.13-14**

What is economics?

The question seems pointless: Economics is the study of the economy. The economy, as everyone uses the term, comprises those activities and institutions that determine our material well being. In the face of the obvious, is it not merely pedantry to ask what economics "is"?

In fact, however, far from being pointless, the question is illuminating, not to say disconcerting. This is in part the case because economics as the study of the economy contains premises and value judgments of which it is itself unaware. In chapters to come, we will examine economics as a belief system, an ideology. But there is another answer to the question of why it is important to look into the meaning of economics. It is that our involvement in the economy exerts a systematic distortion over our perception of what we call "economics." That is the veil to which my title refers. It is the thrall [servitude; bondage] exerted by economic society itself - a thrall among whose many profound effects we must include the curious difficulty of defining an aspect of our social existence's with which we are on terms of the most intimate familiarity.

**Leon MacLaren - Nature of Society, pp.275-6**

Economics is concerned with the community. Plainly if there were no communities, there would be no need of economics. Again, as each community consists of a number of human families and individuals living and working together, so economics is concerned with the life and work of these same families and individuals; but in one broad aspect only. The economist looks at all this manifold life and activity to try and understand how it is affected by the business of earning a living. Economics is the study of the relationships between human families and individuals living and working together in communities, in so far as these relationships are developed and modified in and about the business of making a living.

...The object of economics, then, is that men may learn how to live and live more fruitfully. Its scope is limited to the study of families and individuals living and working together in



communities, as their life and the relations between them develop and are modified in and about the business of making a living. To do this, human activity must be kept in its context. Human beings are born into this world and are part of it. They are endowed with a faculty to create out of the natural universe an artificial world of imagination, ideas, creatures and things; but their artificial world exists within and is ever subject to the natural universe from which it is drawn. In the artificial world, as throughout the universe powers are at work which are beyond human control. It is the function of economics to comprehend with ever increasing clarity and distinction how these forces affect human beings engaged in earning a living. The object of this understanding is that men may build their artificial world in conformity with these greater powers, so that the ends of their work may be as in their beginnings they were intended to be. At best, only the beginning of an action is under man's control, the end is not of his making. Economics is the understanding within its sphere of the relationship between these beginnings and these ends, so far as human imagination, thought and practice can comprehend this harmony.

**Stephen Meintjes & Michael Jacques - The Trial of Chaka Dlamini, p.43**

Economics is the natural law governing all aspects of the production and distribution of wealth by people when they live and trade with each other.

**Kenneth Lux - Adam Smith's Mistake, p.25**

In England, in the early part of the next century, Thomas Malthus and David Ricardo followed up on Smith's work, giving rise to what became known as the school of *political economy*. In the 1870's, yet another Englishman, William Stanley Jevons, shortened the name to *economics*, by which label the field is now known. Jevons defined economics as "the mechanics of utility and self-interest...to satisfy our wants to the utmost with the least effort - to procure the greatest amount of what is desirable at the expense of the least that is undesirable - in other words, to maximize pleasure, is the problem of economics."

**Clarence B. Carson - Basic Economics, pp.38-9**

This brings us to a major role that economics has played since it was formulated as a study. It was shaped by the classical economists mainly as an argument against government regulation and control in an economy. The descriptions of the market generally showed that the market works most effectively in

providing those goods and services that are most wanted if government does not interfere with its working. Of course, the principles of economics, as they eventually came to be called, were useful knowledge in themselves, quite often. But economics was called political economy for most of the 19th century, and it was more as a guide to political conduct than to economic behavior that it developed.

**Robert L. Heilbroner - The Worldly Philosophers, p.8**

The book written, it was necessary to find a title. I was aware that the word "economics" was death at the box office, and I racked my brains for a substitute. A second crucial lunch then took place with Frederick Lewis Allen, editor of *Harper's* magazine, for whom I had done a number of pieces, and who had been extraordinarily kind and helpful to me. I told him about my title difficulties, and said that I was thinking of calling the book *The Money Philosophers*, although I knew "money" wasn't quite right. "You mean 'worldly,'" he said. I said, "I'll buy lunch."

My publishers were not as pleased with the title as I was, and after the book to everyone's surprise began to sell, they suggested retitling it *The Great Economists*. Fortunately nothing came of this. Perhaps they anticipated that the public would not be able to master "worldly," which has indeed been misspelled "wordly" on a thousand students' papers, or perhaps they foresaw difficulties such as one about which I heard many years later. A student inquired at his college bookstore about a book whose author's name he could not remember, but whose queer title was, to the best of his recollection, "A World Full of Lobsters."

**Jacob Needleman - Money and the Meaning of Life, pp.193-4**

The science of economics is an abstraction, only one tiny aspect of the understanding of man and his nature and destiny... Abstract knowledge, when consciously used by a whole human being, can be and is a real instrument of human power and virtue. But abstract knowledge used by an abstract man, a man living only in the head, is deadly. It is hellish knowledge, what Plato called opinion, "cave-knowledge". In all these books about economics, with all the information and theory they contain, we need to separate out the few nuggets of concrete knowledge that their authors may have found for themselves, with the whole of themselves.

## **Elections**

### **Emma Goldman**

If elections changed anything - they'd be banned.

## **Enclosure Movement**

### **Kenneth Lux - Adam Smith's Mistake, pp.17-18**

By the time of Adam Smith all of this was rapidly changing. The ancient manorial bonds were being broken, and the peasants were being pushed off the land. The English aristocracy had discovered that an overseas trade, particularly in wool, lay available to them, and they were increasingly looking toward commercial and profit-making activity. Religious proscriptions against the seeking of gain (the sin of avarice) were beginning to weaken. Wool demands grazing pastures for sheep. In order to secure these pastures the lords and nobles began enclosing common meadowlands within fences and claiming them as their own. This "enclosure movement" had its first beginning in the eleventh century and then began accelerating from 1450 to 1640, and again from 1750 to 1860. Enclosure was essentially complete by the late 1800s. In the rest of Europe the enclosure movement made much less headway until the 1800s.

The aristocrats' securing of the common lands exclusively for their own use had an enormously disruptive effect upon the feudal security of generations of peasant farmers and their families.

## **Entitlement**

### **American Heritage Dictionary**

Entitle tr. v.

1. To give a name or title to; to designate.
2. To bestow a title of nobility, rank, honor, or dignity upon.
- 3.a. To give (one) a right to do or have something; allow; qualify.
- 3.b. To give (one) a legal right or claim to something.

### **Richard Noyes: Editor - Now the Synthesis, pp.28-9**

But the 'unprovided' do not go away. Poverty persists and deepens. The gap between the haves and have nots widens, and the vast sums of money being spent by fiat to keep the two halves together threatens to break the back of free enterprise. The United States wrestles with a budget deficit in which the most unresolvable ingredient is 'entitlements', which are nothing more than the value of the denial of opportunity inflicted on the many citizens who are 'unprovided' with the proprietorial rights of access to the resources of life.

## **Entrepreneur**

### **American Heritage Dictionary**

n. A person who organizes, operates, and assumes the risk for business ventures, especially an impresario (from Old French, *entreprendre*, to undertake).

### **The Columbia Encyclopedia**

(Fr. = one who undertakes), person who assumes the organization, management, and risks of a business enterprise. It was first used as a technical term by the 18th century French economist Richard Cantillon.

To the classical economist of the late 18th century the term meant an employer in the character of one who assumes the risk and management of business; an undertaker of economic enterprises, in contrast to the ordinary capitalist, who, strictly speaking, merely owns an enterprise and may choose to take no part in its day-to-day operations.

In practice, the entrepreneur was not differentiated from the regular capitalist until the 19th century, when his function developed into that of coordinator of processes necessary to large-scale industry and trade.

Joseph Shumpeter and other 20th century economists considered the entrepreneur's competitive drive for innovation and improvement to have been the motive force behind capitalist development.

Richard Arkwright in England and William Cockerill on the Continent were prominent examples of the rising class of entrepreneurial manufacturers during the Industrial Revolution.

Henry Ford was a 20th century American example.

The entrepreneur's functions and importance have declined with the growth of the corporation.

### **Robert Heilbroner - Behind the Veil of Economics, p.170**

Here we encounter the key dramatic persona of Schumpeter's counter-vision. It is the entrepreneur, the economic agent who will dynamize the system. Only the entrepreneur has the will, the intelligence, and the force of character to break the mold of custom and tradition. He vitalizes the circular flow either by introducing new products or processes into it, or by recombining

factors in ways that enable him to produce existing outputs more cheaply than the competition.

## **Equity**

### **American Heritage Dictionary**

- n.
1. The state, ideal, or quality of being just, impartial, and fair.
  2. Something that is just, impartial, and fair.
  3. The residual value of a business or property beyond any mortgage thereon and liability therein.
  4. Law.
    - a. Justice applied in circumstances not covered by law.
    - b. A system of jurisprudence supplementing common law.
    - c. An equitable right or claim.

### **Bronfenbrenner, et al - Economics, p.G-10**

Fairness and justice in the distribution of consumption, income, and wealth; also, ownership share in a corporation.

### **MacLaren - Lectures Vol 2, pp.166-7**

Question:

What does it mean to serve the Truth?

MacLaren:

Oh! There's a prophecy by Isaiah, it's a very terrible one, what he says is: "Judgment has turned away backwards". That's a reference to the buddhi. "...and justice standeth afar off, for truth has fallen in the street and equity cannot enter." Equity is advaita. Truth fallen in the street; you see a drug addict lying in the street; that's it; and this is what's happening right across the world nowadays, you can literally see them lying in a heap on the pavement, that's truth that has fallen in the street. So if you pick him up, you're serving the truth. It's not difficult; it's all round you. So that's service to the Truth. The essence of every creature is the Atman: it's not difficult to serve the Atman.



Exchange value

## **Expense**

### **American Heritage Dictionary**

- n. 1. The cost involved in some activity; a sacrifice; a price: "Every attempt at a system is made at the expense of facts" (Bernard Berenson).
- 2. Plural
  - a. Charges incurred while performing one's job.
  - b. Informal. Money allotted for payment of such charges.
- 3. Something requiring the expenditure of money.

## Factor

### American Heritage Dictionary

- n.
1.
    - a. One who acts for someone else; an agent.
    - b. A person or firm that accepts accounts receivable as security for short-term loans.
  2. One that actively contributes to an accomplishment, result, or process.
  3. **Mathematics.** One of two or more quantities having a designated product: **2 and 3 are factors of 6.**

## **Family**

### **The American Heritage Dictionary**

- n.
1. The most instinctive, fundamental social or mating group in man and animal, especially the union of man and woman through marriage and their offspring; parents and their children.
  2. One's spouse and children.
  3. Persons related by blood or marriage; relatives; kinfolk.
  4. Lineage; especially, upper-class lineage.
  5. All the members of a household; those who share one's domestic home.
  - 6.a. A group of like things; class.
  - 6.b. A special or particular world of something; kingdom; fellowship: *the family of man.*

### **Georgia Harkness - The Sources of Western Morality, p.10, 163**

There are certain fundamental institutions, which have apparently existed in some form, however primitive, throughout the entire range of human society from its earliest beginnings. These are the family and the agencies for economic, political and religious pursuits...

In primitive society the family is the key to all social organization. Men have lived in groups since human life began, and the first group was the one established biologically for the preservation of the species.

Within the family group were fostered the virtues of maternal tenderness (perhaps the basic root of the altruistic impulse), protectiveness, filial reverence, obedience, and a sense of fair play. The members both of the biological family and the larger kinship group learned to work together with hardihood and jointly to wrest a living from Nature. They fought together to avenge wrongs and subdue enemies; they celebrated festal occasions and performed religious rites together. Offenses were punished, exploits were honored, by the group. The lore of the tribe was passed on by the old men to the younger, the memory of deeds of ancestors was kept alive by legend and song, and a feeling of tribal unity strongly akin to patriotism was generated and perpetuated. The interest of one member of the group was the interest of all.

...In the Greek outlook the family virtues had no exalted place.

In militaristic Sparta the family almost disappeared, and Plato's ideal state would destroy family life to rear strong citizens.

**David Selbourne - The Principle of Duty**

The Family should need no definition: first home, last refuge, the womb of every moral archetype.

**Confucius - The Great Learning**

With the mind right the individual self comes into flower. With the self in flower the family becomes an ordered harmony. With the families ordered harmoniously the state is efficiently governed. With states efficiently governed, the Great Society is at peace.

**Shantanand Saraswati**

The basic unit of society is the family taking account of all individuals bound together by love, affection and sacrifice.

## **Federal Funds Rate**

### **Bob Woodward - Maestro [Glossary], p.392**

The rate controlled by the FOMC that banks charge each other on overnight loans - and, in recent years, the key short-term rate. The rate affects overall credit conditions in the United States and is the Fed's main weapon against both recession and inflation. Since 1994, changes to the fed funds rate have been announced publicly. The markets and bankers realize the power of the Fed to enforce the new rate, so the rate moves to its new level immediately.

### **Bob Woodward - Maestro, p.35**

This buying or selling of U.S. Treasury bonds, so-called open market operations, gives the Fed a brutal tool. Changes in the fed funds rate usually translate into changes in the long-term interest rates on loans paid by consumers, homeowners and businesses. In other words, the FOMC's monopoly on the fed funds rate gives the Fed control over credit conditions, the real engine of capitalism.

## **Federal Reserve System [Fed]**

### **Bob Woodward - Maestro [Glossary], p.393**

The system includes the Board of Governors in Washington, DC, and the 12 district Federal Reserve Banks and their outlying branches. The reserve banks are in New York, San Francisco, Boston, Philadelphia, Richmond, Cleveland, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City and Dallas. The Federal Reserve System also processes and clears the great majority of all banks' paper checks, facilitates wire transfers for payments, regulates how much paper currency and coin are in circulation and oversees the entire banking industry.

### **Bob Woodward - Maestro, pp.350-1**

Alice Rivlin, surprised to learn what a house of cards the international bond market had become, judged that the Fed was in a sense acting as the central bank of the world.

McDonough agreed. As the only superpower, and with the world's largest economy, they had little choice, he said. If they didn't raise their hands and take charge, who would? Neither the president nor the secretary of the treasury nor the Congress could do much. Only the Fed.

## **Feudalism**

### **American Heritage Dictionary**

n. A political and economic system of Europe from the 9th to about the 15th century, based on the relation of lord to vassal as a result of land being held on condition of homage and service.

### **Kenneth Lux - Adam Smith's Mistake, pp.14-15**

[Adam] Smith lived during the time when the old order of the Middle Ages was well along in its process of breaking up, but a new order to replace it had not yet taken definitive shape. Smith's work was to play a central role in defining the new order. The old political and economic system had come to be known as *feudalism*, and it will be helpful for us to know something of its character.

The term *feudalism* comes from the word *fief*, which has the general meaning of "property," as in an estate. Society in the Middle Ages was built around the manor, which was a country estate in a largely agrarian world. The lord of the manor held the fief, at least in theory, at the behest of the king, or of the king as a regent or agent of God. The lord's inheritance of the manor was fixed, and he could no more sell it to someone else than, as Heilbrunner so aptly puts it, the governor of Rhode Island could sell off some counties to the governor of Vermont. All transfer of land, and this happened rarely, was either by gift deed or by conquest. The concept of selling land didn't exist, and the present notion of land as a commodity was literally unthinkable. That selling land became first thinkable and then actually practiced marked one of the great and momentous changes from the feudal world to that of the new economic society.



## **Fiat Money**

### **American Heritage Dictionary**

Paper money decreed legal tender, not backed by gold or silver, and not necessarily redeemable in coin.

### **The Columbia Encyclopedia**

Inconvertible money that is made legal tender by the decree, or fiat, of the government but that is not covered by a specie reserve. It is commonly understood to be of paper, although it may also consist of overvalued metal coins.

The circulation of fiat money may lead to inflation, whereas money redeemable in gold or other securities is held much less likely to do so. Under conditions of proper monetary management, however, fiat paper money can be a stable currency. In fact, contemporary American money is essentially fiat money. All Federal Reserve notes and most circulating coins are money because the government says they are, not because they are backed by precious metals.

Earlier, less stable examples of fiat paper money were the Continentals issued by the American government during the Revolutionary War, the Assignats issued during the French Revolution, and the Greenbacks issued by the U.S. government during the Civil War. Most such issues were accompanied by severe price rises.

## **Finance/Financial**

### **American Heritage Dictionary**

#### Finance

- n. 1. a. The science of the management of money and other assets.  
b. The disposition of public revenues by a government.  
2. Plural. Monetary resources; funds, especially of a government or corporate body.

tr.v. 1. To supply the funds or capital for.

intr. v. 1. To manage finances.

#### Financial

adj. Of or pertaining to finances or those who deal with finances.

Synonyms: financial, pecuniary, fiscal, monetary. These adjectives refer in various senses to money.

Financial is the broadest in application but often has reference to transactions involving money on a large scale.

Pecuniary is more appropriate to the private, small-scale dealings of individuals.

Fiscal applies principally to the policies and practices of a branch of government as they relate to money.

Monetary has special reference to actual money, its coinage and printing, or its circulation.

## Freedom

### American Heritage Dictionary

- n.
1. The condition of being free of restraints.
  2. Liberty of the person from slavery, oppression, or incarceration.
  3.
    - a. Political independence.
    - b. Possession of civil rights; immunity from the arbitrary exercise of authority.
  4. Exemption from unpleasant or onerous conditions.
  5. The capacity to exercise choice; free will; *"The only freedom which deserves the name, is that of pursuing our own good in our own way."* (John Stuart Mill).
  6. Facility, as of motion.
  7. Originality of style or conception.
  8. Frankness.
  9.
    - a. Boldness; impertinence.
    - b. An instance of improper boldness; a liberty.
  10. Unrestricted use or access.
  11. The right of enjoying all of the privileges of membership or citizenship.

**Synonyms:** freedom, liberty, license. These nouns refer to the power to act, speak, or think without the imposition of restraint.

Freedom is the most general term and preferable when total absence of restraint or lack of restraint in general is meant.

Liberty applies especially to individual rights defined by law, and thus suggests absence of specific restrictions. However, freedom is sometimes also used in the narrower sense associated with individual rights.

License in one sense denotes abuse of freedom; in another it refers to exemption from prevailing rules, granted in special cases.

### **Richard Noyes - (Editor) Now the Synthesis, p.21**

When William Lloyd Garrison (the younger), an avid supporter, told [Henry] George that he did not believe the single tax to be a panacea, George replied, "Neither do I: but I believe freedom is, and the single tax is but the tap-root of freedom".

## **Free Market**

**Bronfenbrenner, et al. - Economics, p.G-12**

A market in which the economic forces of demand and supply have the full opportunity to alter the price.

## **Frontier**

### **American Heritage Dictionary**

- n.
1. An international border, or the area along it.
  2. A region just beyond or at the edge of a settled area.
  3. Any undeveloped area or field, as of scientific research.

### **Richard Noyes - *Now the Synthesis*, pp.31-2**

Madison was deeply concerned about that ultimate cleavage between the propertied and propertyless - the 'halves' and the 'have nots'. He wondered, first of all, when it might be expected to happen. His arithmetic led him to believe that by the year 1929 there would be some 192,000,000 people in the United States, by which time the continent would have been filled up. He missed his target by a few years, as it turned out; it was not until the sixties that the population topped 190,000,000 although it was in the year 1929 that another, closely related, event took place. It was well before that year that others in America began to be worried about the danger Madison had foreseen. Frederick Jackson Turner was a little-known professor of history from Wisconsin in 1893 when he made a speech at the Colombian Exposition at Chicago that eventually made him famous. Turner's frontier thesis, explaining the American character in terms of the availability of free land (so long as there continued to be 'enough and as good' left to be had) became a dominant idea among American historians for some years.

Turner said that the continent had already been filled up. He had been studying the federal census for 1890 and had noted that, for the first time, the Census Bureau had seen fit to omit the 'frontier' as a category. It did not exist any more, as far as the census takers were concerned; and that troubled Turner, because he felt sure the American character would change. (Hasn't it?) Franklin D. Roosevelt thought it might present a problem too, and in 1932, when speaking to the Commonwealth Club (before his long tenure in office began) he said, 'Our last frontier has long since been reached. There is no safety valve in the form of a Western Prairie...' George Gilder was still saying it only a few years ago when he published a best-seller, Wealth and Poverty. He writes, two pages from the end of the book, "It is said we must abandon economic freedom because the frontier is closed."

But it was not just property rights that were coming into the picture as more and more thinkers came to be concerned, but the right to liberty itself. Turner, having deliberated about it for years, was specific about the threat to liberty after World War I, when he was asked to deliver a series of six lectures on liberty at Harvard University. He said flatly that, once the continent had been filled up and all the free land was gone, there would no longer be any hope of the unrestrained economic liberty with which Madison had been familiar. In its place, he predicted, must come an 'adjusted liberty' as government controls were extended in the interests of society as a whole.

In 1936 the public domain was officially closed. I do not believe it to be a coincidence that, about then, the 'welfare state' was being brought into existence.

## Good

### American Heritage Dictionary

- adj. 1. Having positive or desirable qualities; not bad or poor.
2. Serving the end desired; suitable; serviceable.
3. a. Not spoiled or ruined; able to be used.  
b. In excellent condition; whole; sound.
4. a. Superior to the average.  
b. Designation the U.S. Government grade of meat higher than *standard* and lower than *choice*.
5. a. Of high quality.  
b. Discriminating.
6. Used or suitable for special or formal occasions.
7. Beneficial; salutary.
8. Competent; skilled.
9. Complete; thorough.
10. a. Safe; sure.  
b. Valid or sound.  
c. Genuine; real.
11. a. Ample; substantial; considerable.  
b. Bountiful.
12. Full.
13. Pleasant; enjoyable.
14. a. Of moral excellence; virtuous; upright.  
b. Benevolent; cheerful; kind.  
c. Loyal; staunch.
15. a. Well-behaved; obedient.  
b. Socially correct; proper.
- noun 1. a. That which is good.  
b. The good, valuable, or useful part or aspect: *get the good out of something*.
2. Welfare; benefit; well-being: *for the common good*.
3. Goodness; virtue; merit: *There is much good in him*.

### Spinoza

No one gives up a supposed good except in hope of a greater good.

### Alexis de Tocqueville

America is great because America is good, and if America ever ceases to be good, America will cease to be great.

### Leon MacLaren - Nature of Society, pp.175-6

In the nature of things, each form of life desires its own good, and the usual object of economics, the desire which normally impels men to study it, is that human beings may live and live better. Thus not merely is economics as a study concerned with human beings in one general aspect of their relations with one another, but its object is to enhance and enrich the very life which is the subject of inquiry.

So far removed has the study turned in practice from its true sphere and proper function, however, so strongly has the accent shifted from human life to the production and distribution of wealth, that economists have come to regard human beings and human life as a means towards the end of producing and distributing wealth. Men, women and children are spoken of as labour, units of demand, manpower and so on. In the process the study has deteriorated from a liberal art, one of the humanities, to a sordid and arid calculation of dead numbers, materialist and confessedly unethical.

It has been said that the wise man judges of things by their end. The end of economics is human life, and it should be judged at all times by this criterion. What can be said for those who in their studies put means before ends, who judge of human beings by the production and distribution of wealth?

**Hari Prasad Shastri - Self-Knowledge - Vol 45 No 4, pp.143,145-6**

Good, in the ordinary sense of the term, is that which fulfills a need of man and gives him relief from the distraction of want. Sometimes our wants are artificial and not based on duty or high principles. It is necessary to examine our wants on the basis of reason, high tradition and the dictates of virtue....

The highest good in life is pursuit of the spiritual truth in a stilled heart given to benevolence and devotion to God. Man's spirit is not satisfied with what is finite and narrow. Spiritual truth, which is beyond the mind, which is reflected in the mind as awareness and which can be partially appreciated by the mind under certain conditions of discipline, is infinite and it is the absolute good. Mind marks the limit to a conception or an object. That which is beyond the mind is infinite; it is truth, or the Self of man. It is called Atman in the language of Vedanta. Unless the mind is already prepared by selfless service to our fellow-men and devotion to God, it does not at once take a keen interest in the realization of Self, the highest good or truth. One who lives only for himself is a stranger to peace and



inner tranquillity....

If we want the highest good of man, let us teach him to create the light within. We must remove the obstacles to the inner light by right education, by teaching him patience, discrimination, forgiveness and love of Truth, or God. But he himself must determine his highest good, the spiritual illumination, and then act up to it.

**Hari Prasad Shastri - Self-Knowledge - Vol 46, No 3, p.98**

They say that to do good is the best and highest life motive. But we have to learn how to do good and to be specific as to the kind of good we want to do. If to amuse people is to do good to them, then the juggler is superior to Plato and Aristotle. As it is the duty of every spiritual man to be benevolent, he must find out the particular kind of good he can do. Relieving the physical ailments of people, giving them right education, teaching them how to be virtuous are all methods of doing good.

According to holy Manu, the highest good is to try to get the people interested in elevating their soul, teaching them self-mastery and placing before them the high ideal of spiritual perfection. A poor man cannot found a hospital or an orphanage, but by studying the holy philosophy he can live it and expose their supreme need of it to the people.

**Swami Rama Tirtha - In Woods of God-Realization, Part VIII, preface**

True religion means faith in *Good* rather than faith in *God*.

**Kena Upanishad I, 3-4 - Put into English by Shree Purohit Swami and W.B. Yeats, pp.21-23**

Once upon a time, Spirit planned that the gods might win a great victory. The gods grew boastful; though Spirit had planned their victory, they thought they had done it all.

Spirit saw their vanity and appeared. They could not understand; they said: 'Who is that mysterious Person?'

They said to Fire: 'Fire! Find out who is that mysterious Person.'

Fire ran to Spirit. Spirit asked what it was. Fire said: 'I am Fire; known to all.'

Spirit asked: 'What can you do?' Fire said: 'I can burn anything and everything in this world.'

'Burn it,' said Spirit, putting a straw on the ground. Fire threw itself upon the straw, but could not burn it. Then fire ran to the gods in a hurry and confessed it could not find out who was that mysterious Person.

Then the gods asked Wind to find out who was that mysterious Person.

Wind ran to Spirit and Spirit asked what it was. Wind said: 'I am Wind; I am the King of the Air.'

Spirit asked: 'What can you do?' and Wind said: 'I can blow away anything and everything in this world.'

'Blow it away,' said Spirit, putting a straw on the ground. Wind threw itself upon the straw, but could not move it. Then Wind ran to the gods in a hurry and confessed it could not find out who was that mysterious Person.

Then the gods went to Light and asked it to find out who was that mysterious Person. Light ran towards Spirit, but Spirit disappeared upon the instant.

There appeared in the sky that pretty girl, the Goddess of Wisdom, snowy Himalaya's daughter. Light went to her and asked who was that mysterious Person.

The Goddess said: 'Spirit, through Spirit you attained your greatness. Praise the greatness of Spirit.' Then Light knew that the mysterious Person was none but Spirit.

That is how these gods - Fire, Wind and Light - attained supremacy; they came nearest to Spirit and were the first to call that Person Spirit.

Light stands above Fire and Wind; because closer than they, it was the first to call that Person Spirit.

This is the moral of the tale. In the lightning, in the light of an eye, the light belongs to Spirit.

The power of the mind when it remembers and desires, when it thinks again and again, belongs to Spirit. Therefore let Mind meditate on Spirit.

Spirit is the Good in all. It should be worshipped as the Good. He that knows it as the Good is esteemed by all.

You asked me about spiritual knowledge, I have explained it.

Austerity, self-control, meditation are the foundation of this knowledge; the Vedas are its house, truth its shrine.

He who knows this shall prevail against all evil, enjoy the Kingdom of Heaven, yes, forever enjoy the blessed Kingdom of Heaven.

## **Goodness**

### **American Heritage Dictionary**

- n.
1. The state or quality of being good; excellence; merit; worth.
  2. Virtuousness; moral rectitude.
  3. Kindness; benevolence; generosity.
  4. The good part of something; essence; strength.
  5. A euphemism for *God* in such phrases as *Thank goodness!* and used interjectionally to express surprise.

### **Theologia Germanica**

Goodness needeth not to enter into the soul, for it is there already, only it is unperceived.

## Goods

### American Heritage Dictionary

- pl.n.
1. Merchandise; wares.
  2. Portable personal property.
  3. Fabric; material.
  4. *British*. Freight.

## **Good will**

### **American Heritage Dictionary**

1. An attitude of kindness or friendliness; benevolence.
2. Cheerful acquiescence or willingness.
3. The good relationship of a business enterprise with its customers, reckoned as an intangible asset.

## Government

### American Heritage Dictionary

- n.
1. The act or process of governing; especially, the administration of public policy in a political unit; political jurisdiction.
  2. The office, function, or authority of one who governs or a governing body.
  3. A system or policy by which a political unit is governed.
  4. Political science.
  5. A governing body or organization.
  6. An area within a single rule; a political unit.

### **Georgia Harkness - The Sources of Western Morality, pp. 159-62**

It is a curious fact that a people [Greek] who gave the world its first great political theory and who made much of civic loyalty were nevertheless not very successful in governing themselves. A major reason is that whether as states, as classes, or as individuals, they lacked the power of self-subordination essential to cooperative living. They were essentially a secular-minded people; and in spite of exalting patriotism as a virtue, they lacked a compelling spiritual ground of unity. As a consequence, factionalism was always ready to break out, not only between the rival city-states but also within the state. We shall note presently that Greece's greatest philosophers were not very enthusiastic about democracy which we laud so highly, the reason being that it so often degenerated into mob rule. But it will not do to condemn the Greeks too severely for their lack of undergirding spiritual unity, for the secularism and dissension which undermined their strength assails us still.

...The factionalism and parochialism of outlook which were the curse of Greece and finally its undoing were in part due to geographical division, but more to this internal stratification. On the one hand, religious reverence was not strong enough to be an effective instrument of social unity and cooperation. On the other, there was too much acceptance of the *status quo* with comfortable rationalizations supplied by the leisured intelligentsia - a situation in which the victims of injustice sporadically burst through to cause slave revolts and other economic disturbances. Reason without religious motivation to give it dynamic is more often a socially conservative than a revolutionary force, challenging injustice in theory but accepting it in practice.

**James Madison**

If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself.

**Henry George - Social Problems, p.173, 184**

It is not the business of government to make men virtuous or religious, or to preserve the fool from the consequences of his own folly. Government should be repressive no further than is necessary to secure liberty by protecting the equal rights of each from aggression on the part of others, and the moment governmental prohibitions extend beyond this line they are in danger of defeating the very ends they are intended to serve.

...it is necessary to make government much more efficient and much less corrupt. The dangers that menace us are not accidental. They spring from a universal law which we cannot escape. The law is the one I pointed out in the first chapter of this book - that every advance brings new dangers and requires higher and more alert intelligence. As the more highly organized animal cannot live unless it have a more fully developed brain than those of lower animal organizations, so the more highly organized society must perish unless it bring to the management of social affairs greater intelligence and higher moral sense. The great material advances which modern invention has enabled us to make, necessitate corresponding social and political advances. Nature knows no 'Baby Act.' We must live up to her conditions or not live at all.

**Anonymous**

The government should concern itself with maximizing individual liberty; happiness is the business of each individual.



## **Great Transformation**

### **Robert Heilbroner - Behind the Veil of Economics, pp.41-3**

Capitalism as a social order whose organizing principle is the ceaseless accumulation of capital cannot be understood without some appreciation of the historic changes that bring about its appearance. In this complicated narrative, it is useful to distinguish three major themes. The first concerns the transfer of the organization and control of production from the imperial and aristocratic strata of pre-capitalist states into the hands of mercantile elements. This momentous change originates in the political rubble that followed the fall of the Roman empire. There merchant traders established trading niches that gradually became loci of strategic influence, so that a merchantdom very much at the mercy of feudal lords in the ninth and tenth centuries became by the twelfth and thirteenth centuries an estate with a considerable measure of political influence and social status. The feudal lord continued to oversee the production of the peasantry on his manorial estate, but the merchant, and his counterpart the guild master, were organizers of production in the towns, of trade between the towns, and of finance for the feudal aristocracy itself.

The transformation of a merchant estate into a capitalist class, capable of imagining itself as a political, not just an economic force required centuries to complete and was not, in fact, legitimated until the English revolution of the seventeenth and the French revolution of the eighteenth centuries. The elements making for this revolutionary transformation can only be alluded to here in passing. A central factor was the gradual re-monetization of medieval European life that accompanied its political evolution. The replacement of feudal social relationships, mediated through custom and tradition, by market relationships knit by exchange worked steadily to improve the wealth and social importance of the merchant against the aristocrat. This enhancement was accelerated by many related developments - the inflationary consequence of the importation of Spanish gold in the sixteenth century which further undermined the rentier position of feudal lords; the steady stream of runaway serfs who left the land for the precarious freedom of the towns and cities, placing further economic pressure on their former masters; the growth of national power that encouraged alliances between monarch and merchants for their mutual advantage; and yet other social changes.

The overall transfer of power from aristocratic to bourgeois auspices is often subsumed under the theme of the rise of market society - that is, as the increasing organization of production and distribution through purchase and sale rather than by command or tradition. This economic revolution, from which emerge the "factors of production" that characterize market society, must however be understood as the end product of a political convulsion in which one social order is destroyed to make way for a new social order. Thus, the creation of a large propertyless labor force requires a disruptive social change that begins in England in the late sixteenth century with the dispossession of peasant occupants from communal land, and does not run its course until well into the nineteenth century. In similar fashion, the transformation of feudal manors from centers of social and juridical life into real estate, or the destruction of the protected guilds before the unconstrained expansion of nascent capitalist enterprises embody wrenching sociopolitical dislocations, not merely the smooth diffusion of preexisting economic relations throughout society. It is such painful rearrangements of power and status that underlay the "great transformation" \* out of which capitalist market relationships finally arise.

\* Karl Polanyi, The Great Transformation (1957) Part II

## **Greed**

### **American Heritage Dictionary**

1. A rapacious desire for more than one needs or deserves, as of food, wealth, or power; avarice.

### **Richard Noyes: Editor - Now The Synthesis, pp.34-5**

In the political body...the wisdom of nature has fortunately made ample provision for remedying many of the bad effects of the folly and injustice of man; in the same manner as it has done in the natural body, for remedying those of his sloth and intemperance.

It is thus that every system which endeavors, either by extraordinary encouragement, to draw towards a particular species of industry a greater share of the capital of society than what would naturally go to it; or, by extraordinary restraints, to force from a particular species of industry some share of the capital which would otherwise be employed in it; it is in reality subversive of the great purpose which it means to promote. It retards, instead of accelerating, the progress of the society towards real wealth and greatness; and diminishes, instead of increasing, the real value of the annual produce of its land and labor.

"All systems of preference or of restraint, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, *as long as he does not violate the laws of justice*, is left perfectly free to pursue his own interest in his own way, and to bring both his industry and capital into competition with those of any other man, or order of men."

[Adam Smith, Wealth of Nations, V. I, Systems of Political Economy, p.?]

Smith calls for a balance between self-interest and the laws of justice, which is not easy to strike. One facet of human nature that has evidenced itself through history, which can be traced back long before the Enlightenment or even Christianity - one particular 'folly and injustice of man' for which the wisdom of nature has not provided protection - is greed. It is widely accepted that man is a predatory animal, uniquely capable of turning against and even killing the weaker of his own kind. And there is inescapable evidence in all history to show that men - or some men, at least - are unable to prevent their drive to

satisfy self-interest from spilling over into greed. The Calvinists who first settled the bleak northeastern coast of what has become the United States were convinced that 'unregenerate man is half beast and half devil,' and their earliest social contracts included guarantees protecting one against another. America's first written constitution, in fact, the temporary social contract written in New Hampshire to guide that colony through the War of Revolution, included in its statement of purpose a phrase that grew directly out of the Calvinist creed: the need to protect people in a state of nature 'from the Machinations and evil Designs of wicked men.' The 'liberty' we so highly treasure is really a freedom from each other - freedom from coercive behavior, one manifestation of which is greed.

**Kenneth Lux - Adam Smith's Mistake - pp.129-30, 133**

The term *avarice* has largely been replaced today by the word *greed*. And greed still arises periodically as an issue of serious social concern. In particular, this issue has arisen at the conclusion of the 1980's, as we have seen. There were the huge fees that investment bankers have drawn from promoting and facilitating such mega deals as the twenty-billion-dollar battle to buy RJR Nabisco; various high-money-stakes scandals, such as billionaire hotel magnates Leona and Harry Helmsley's trial for tax evasion; and the insider trading and junk bond scandals involving fabulously wealthy Wall Street traders and arbitrageurs. A *New York Times* article called the general reaction to this panoply of events 'a growing backlash against greed'.

Dennis Levine, one of the major insider traders who was indicted and arrested, tells how as a college student he had listened attentively as his favorite business professor at Bernard Baruch College literally preached the sermon 'Greed is a nice religion' - a perfect reversal of medieval philosophy. The professor had explained why this is the case: 'If you are really greedy, you are going to keep your shoes polished, you won't run around on your wife or get drunk. You will do whatever it takes to maximize your lifetime income, and that doesn't leave time for messing up'. Well, it seems that Mr. Levine's greed allowed him plenty of time for 'messing up'.

Although society in general may be concerned about greed, not even the word, let alone the moral concern, exists in the vocabulary of economic theory. In economics, greed is essentially a non-word. Since financial self-interest is good,

and the more of that good the better, the idea of *too much* economic self-interest has no meaning in economics.... Economics, besides not recognizing greed, also does not recognize a conflict of interests. There is only one self, and thus there is only one interest, and that is self-interest.

**Mohandas K. Gandhi**

The earth has enough for every man's need, but not for every man's greed.

**Kahlil Gibran**

It is in exchanging the gifts of the earth that you shall find abundance and be satisfied. Yet unless the exchange be in love and kindly justice, it will lead some to greed and others to hunger.

**Leon MacLaren - Lectures Volume 4, p.43**

Well when that greed gets going, you will have war all right, born of the failure of the family; it will be a necessity: greed does it, that is obvious. So what the whole human race needs at this moment is a return of faith, faith in God, faith in tradition, faith in the law, and if you look around, this is being continuously undermined. On the wireless, and the newspapers, everywhere, in the schools, in the universities, wherever you go. This is the collapse, and that means greed, and the greed means war. People talk so superficially of these things, and never really look at them. See the roots of it; so let us have faith again, faith in the Self is the foundation, and on that basis, faith in His supreme laws; and on that foundation, faith in the ordering of human affairs. It is amazing what it will do, and this is what is necessary, and that is indeed one of the reasons why the School is here; a School like this comes into existence because of the collapse of everything, otherwise we were not necessary, and it is to meet this misery because there is nothing more miserable than the break-up of families, ruin of homes, and then the ruin of states follows upon it, and that is ever worse...all because the philosophic, religious and cultural grounds which support it all have crumbled. Therefore put them back, put them back not as they were because they would simply crumble again, but on the basis of Truth and true knowledge and good practice, and they will be new and different, but they will be efficient.

**The Geeta - Shri Purohit Swami, I, 38-40**

Although these men, blinded by greed, see no guilt in destroying

their kin, or fighting their friends,

Should not we, whose eyes are open, who consider it to be wrong to annihilate our house, turn away from so great a crime?

The destruction of our kindred means the destruction of the traditions of our ancient lineage, and when these are lost, irreligion will overrun our homes.

**Lao Tzu - Tao Te Ching**

Better stop short than fill to the brim.

Over sharpen the blade, and the edge will soon be blunt.

Amass a great store of gold and jade, and no one can protect it.

Claim wealth and titles, and disaster will follow.

Retire when the work is done.

This is the way of heaven.

## **Gresham's Law**

### **American Heritage Dictionary**

Economics. The theory that if two kinds of money in circulation have the same denominational value but different intrinsic values, the money with higher intrinsic value (called *good*) will be hoarded and eventually driven out of circulation by the money with lesser intrinsic value (called *bad*). [Expounded by Sir Thomas Gresham (1519? -1579), English financier.]

## **Ideology**

### **American Heritage Dictionary**

n. The body of ideas reflecting the social needs and aspirations of an individual, group, class, or culture.

### **Robert Heilbroner - Behind the Veil of Economics, pp.191-2**

Belief structures linger on, almost impervious to fact or logic, because they allay the "tumult of the imagination" - the anxiety, we would say - that Adam Smith cogently identified as the primary need to which theorizing addresses itself (Adam Smith, "The History of Astronomy", in Essays in Philosophical Subjects (1980), pp.45-6).

As I have written elsewhere, this stubborn persistence of value judgments arises because the economist does not engage in his analysis from a wholly disinterested position, indifferent to the conclusions to which his analysis may lead:

'The social investigator is inextricably bound up with the objects of his scrutiny, as a member of a group, a class, a society, a nation, bringing with him feelings of animus or defensiveness to the phenomenon he observes. In a word, his position in society - not only his material position, but his moral position - is implicated in and often jeopardized by the act of investigation, and it is not surprising, therefore, that behind the great bulk of social science we find arguments that serve to justify the existential position of the social scientists.' (R. Heilbroner, An Inquiry into the Human Prospect, 2nd ed. (1980), p. 21).

There are many examples of the staying power of belief systems despite their internal weaknesses. Perhaps the best known of these is the conflation [A combining, as of two variant texts into one text] of the physical agencies of the land and resources with the social claims of "Land" and "Capital". At least since the time of John Stuart Mill, economists have understood the difference between the contribution of actual land and resources to production and the claims of their owners to a share in the product. The fact is, however, that economists continue to anthropomorphize property, speaking of land and capital as if they were embodiments of will and energy who would not perform their tasks if "they" (not their owners) were not motivated or



rewarded by income. In this way, "land, labor, and capital" are identified as the "factors of production", thereby tacitly eliding the crucial social difference between labor and property.

It is in this manner that economics spreads its ideological veil over capitalism, shielding from inspection its regimelike character and allowing us to see instead a depoliticized and desocialized "price system". The belief systems by which we perceive capitalism in this manner present for our analysis very different kinds of problems from those that would strike us if we perceived it as otherwise. By screening out all aspects of domination and acquiescence, as well as those of affect and trust, it encourages us to understand capitalism as fundamentally "economic" - not social or political - in nature. Indeed, as we have seen, it establishes the concept of "economics" itself as a mode of social articulation that is separated from - not built atop - older modes of social orchestration.

**Robert Heilbroner - Behind the Veil of Economics, pp.194-5**

With economics too, the reach of economic science cannot extend to the matter of concept formation. Such building blocks of economic theory as "individuals" or "society", "utility" or "value", "labor" or "capital", are created by observers from the protean stuff of the external world and inner prompting. They are, if you will, "metaphysical", or perhaps better, heuristic. [1. Helping to discover or learn; guiding or furthering investigation. 2. Designating the educational method in which the student is allowed or encouraged to learn independently through his own investigation.] As we have seen, these concepts may lead to logical contradictions or paradoxes, or they may have no operational usefulness. On the basis of science and logic they should therefore be discarded, and replaced by other constructions and conceptions. None of them, however, will ever be able to claim science as its paternity. The mother and father of all social constructs remain of necessity the human being who is driven to "discover" concepts in order to come to terms with its existential plight. Of necessity, these concepts must embody the value-laden elements that is their primary *raison d'être*.

## **Income**

### **American Heritage Dictionary**

- n. 1. The amount of money or its equivalent received during a period of time in exchange for labor or services, from the sale of goods or property, or as profit from financial investments.

## **Inflation**

**A fall in the value of money.**

### **American Heritage Dictionary**

n. 2. Economics. An abnormal increase in available currency and credit beyond the proportion of available goods, resulting in a sharp and continuing rise in price levels.

### **Bronfenbrenner, et al. - Economics, p.G-15**

A significant and sustained increase in the general level of price usually measured by the rate of change in some price index number.

## **Interest**

**A payment made by one person to another in return for a loan of wealth or a claim to wealth.**

**(Return on capital) Recompense for the investment of capital.**

### **American Heritage Dictionary**

- n. 2. Often plural. Advantage; self-interest.
- 3. a. A right, claim, or legal share in something.  
b. Usually plural. Something in which such a right, claim, or share is held.
- c. Involvement with or participation in something.
- 4. a. A charge for a financial loan, usually a percentage of the amount loaned.  
b. An excess of bonus beyond what is expected or due: She returned his ardor with interest.
- 5. Usually plural. A group of persons sharing an interest in an enterprise, industry or segment of society.

### **Henry George - Progress and Poverty, pp.156-64**

In all politico-economic works we are told that the three factors in production are land, labor, and capital, and that the whole produce is primarily distributed into three corresponding parts. Three terms, therefore, are needed, each of which shall clearly express one of these parts to the exclusion of the others. Rent, as defined, clearly enough expresses the first of these parts—that which goes to the owners of land. Wages, as defined, clearly enough expresses the second—that part which constitutes the return to labor. But as to the third term—that which should express the return to capital—there is in the standard works a most puzzling ambiguity and confusion.

Of words in common use, that which comes nearest to exclusively expressing the idea of return for the use of capital, is interest, which, as commonly used, implies the return for the use of capital, exclusive of any labor in its use or management, and exclusive of any risk, except such as may be involved in the security. The word profits, as commonly used, is almost synonymous with revenue; it means a gain, an amount received in excess of an amount expended, and frequently includes receipts that are properly rent; while it nearly always includes receipts which are properly wages, as well as compensations for the risk

peculiar to the various uses of capital. Unless extreme violence is done to the meaning of the word, it cannot, therefore, be used in political economy to signify that share of the produce which goes to capital, in contradistinction to those parts which go to labor and to landowners.

Now, all this is recognized in the standard works on political economy. Adam Smith well illustrates how wages and compensation for risk largely enter into profits, pointing out how the large profits of apothecaries and small retail dealers are in reality wages for their labor, and not interest on their capital; and how the great profits sometimes made in risky businesses, such as smuggling and the lumber trade, are really but compensations for risk, which, in the long run, reduce the returns to capital so used to the ordinary, or below the ordinary, rate. Similar illustrations are given in most of the subsequent works, where profit is formally defined in its common sense, with, perhaps, the exclusion of rent. In all these works, the reader is told that profits are made up of three elements - wages of superintendence, compensation for risk, and interest, or the return for the use of capital.

Thus, neither in its common meaning nor in the meaning expressly assigned to it in the current political economy, can profits have any place in the discussion of distribution of wealth between the three factors of production. Either in its common meaning or in the meaning expressly assigned to it, to talk about the distribution of wealth into rent, wages and profits is like talking of the division of mankind into men, women, and human beings.

Yet this, to the utter bewilderment of the reader, is what is done in all the standard works. After formally decomposing profits into wages of superintendence, compensation for risk, and interest-the net return for the use of capital-they proceed to treat of the distribution of wealth between the rent of land, the wages of labor, and the PROFITS of capital.

I doubt not that there are thousands of men who have vainly puzzled their brains over this confusion of terms, and abandoned the effort in despair, thinking that as the fault could not be in such great thinkers, it must be in their own stupidity. If it is any consolation to such men they may turn to Buckle's History of Civilization, and see how a man who certainly got a marvelously clear idea of what he read, and who had read carefully the

principal economist from Smith down, was inextricably confused by this jumble of profits and interest. For Buckle (Vol. I, Chap. II, and notes) persistently speaks of the distribution of wealth into rent, wages, interest and profits.

And this is not to be wondered at. For, after formally decomposing profits into wages of superintendence, insurance, and interest, these economists, in assigning causes which fix the general rate of profit, speak of things which evidently affect only that part of profits which they have denominated interest; and then, in speaking of the rate of interest, either give the meaningless formula of supply and demand, or speak of causes which affect the compensation for risk; evidently using the word in its common sense, and not in the economic sense they have assigned to it, from which compensation for risk is eliminated. If the reader will take up John Stuart Mill's Principles of Political Economy, and compare the chapter on Profits (Book II, Chap. 15) with the chapter on Interest (Book III, Chap. 23), he will see the confusion thus arising exemplified in the case of the most logical of English economists, in a more striking manner than I would like to characterize.

Now, such men have not been led into such confusion of thought without a cause. If they, one after another, have followed Dr. Adam Smith, as boys play "follow my leader," jumping where he jumped, and falling where he fell, it has been that there was a fence where he jumped and a hole where he fell.

The difficulty from which this confusion has sprung is in the pre-accepted theory of wages. For reasons which I have before assigned, it has seemed to them a self-evident truth that the wages of certain classes of laborers depended upon the ratio between capital and the number of laborers. But there are certain kinds of reward for exertion to which this theory evidently will not apply, so the term wages has in use been contracted to include only wages in the narrow common sense. This being the case, if the term interest were used, as consistently with their definitions it should have been used, to represent the third part of the division of produce, all rewards of personal exertion, save those of what are commonly called wage-workers, would clearly have been left out. But by treating the division of wealth as between rent, wages and profits, instead of between rent, wages and interest, this difficulty is glossed over, all wages which will not fall under the pre-accepted law of wages being vaguely grouped under profits, as

wages of superintendence.

To read carefully what economist say about the distribution of wealth is to see that, though they correctly define it, wages, as they use it in this connection, is what logicians would call an undistributed term-it does not mean all wages, but only some wages-viz., the wages of manual labor paid by an employer. So other wages are thrown over with the return to capital, and included under the term profits, and any clear distinction between the returns to capital and the returns to human exertion thus avoided. The fact is that the current political economy fails to give any clear and consistent account of the distribution of wealth. The law of rent is clearly stated, but it stands unrelated. The rest is a confused and incoherent jumble.

The very arrangement of these works shows this confusion and inconclusiveness of thought. In no politico-economic treatise that I know of are these laws of distribution brought together, so that the reader can take them in at a glance and recognize their relation to each other; but what is said about each one is enveloped in a mass of political and moral reflections and dissertations. And the reason is not far to seek. To bring together the three laws of distribution as they are now taught, is to show at a glance that they lack necessary relation.

The laws of distribution of wealth are obviously laws of proportion, and must be so related to each other that any two being given the third may be inferred. For to say that one of the three parts of a whole is increased or decreased, is to say that one or both of the other parts is, reversely, decreased or increased. If Tom, Dick, and Harry are partners in business, the agreement which fixes the share of one in the profits must at the same time fix either the separate or the joint shares of the other two. To fix Tom's share at forty per cent. is to leave but sixty per cent. to be divided between Dick and Harry. To fix Dick's share at forty per cent. and Harry's share at thirty-five per cent. is to fix Tom's share at twenty-five per cent.

But between the laws of the distribution of wealth, as laid down in the standard works, there is no such relation. If we fish them out and bring them together, we find them to be as follows:

Wages are determined by the ratio between the amount of capital devoted to the payment and subsistence of labor and the number of

laborers seeking employment.

Rent is determined by the margin of cultivation; all lands yielding as rent that part of their produce which exceeds what an equal application of labor and capital could procure from the poorest land in use.

Interest is determined by the equation between the demands of borrowers and the supply of capital offered by lenders. Or, if we take what is given as the law of profits, it is determined by wages, falling as wages rise and rising as wages fall-or, to use the phrase of Mill, by the cost of labor to the capitalist.

The bringing together of these current statements of the laws of the distribution of wealth shows at a glance that they lack the relation to each other which the true laws of distribution must have. They do not correlated and coordinate. Hence, at least two of these three laws are either wrongly apprehended or wrongly stated. This tallies with what we have already seen, that the current apprehension of the law of wages, and, inferentially, of the law of interest, will not bear examination. Let us, then, seek the true laws of the distribution of the produce of labor into wages, rent, and interest. The proof that we have found them will be in their correlation-that they meet, and relate, and mutually bound each other.

With profits this inquiry has manifestly nothing to do. We want to find what it is that determines the division of their joint produce between land, labor, and capital; and profits is not a term that refers exclusively to any one of these three divisions. Of the three parts into which profits are divided by political economists-namely, compensation for risk, wages of superintendence, and return for the use of capital-the latter falls under the term interest, which includes all the returns for the use of capital, and excludes everything else; wages of superintendence falls under the term wages, which includes all returns for human exertion, and excludes everything else; and compensation for risk has no place whatever, as risk is eliminated when all the transactions of a community are taken together. I shall, therefore, consistently with the definitions of political economists, use the term interest as signifying that part of the produce which goes to capital.

To recapitulate:



Land, labor, and capital are the factors of production. The term land includes all natural opportunities or forces; the term labor, all human exertion; and the term capital, all wealth used to produce more wealth. In returns to these three factors is the whole produce distributed. That part which goes to land owners as payment for the use of natural opportunities is called rent; that part which constitutes the reward of human exertion is called wages; and that part which constitutes the return for the use of capital is called interest. These terms mutually exclude each other. The income of any individual may be made up from any one, two, or all three of these sources; but in the effort to discover the laws of distribution we must keep them separate.

Let me premise the inquiry which we are about to undertake by saying that the miscarriage of political economy, which I think has now been abundantly shown, can, it seems to me, be traced to the adoption of an erroneous standpoint. Living and making their observations in a state of society in which a capitalist generally rents land and hires labor, and thus seems to be the undertaker or first mover in production, the great cultivators of the science have been led to look upon capital as the prime factor in production, land as its instrument, and labor as its agent or tool. This is apparent on every page—in the form and course of their reasoning, in the character of their illustrations, and even in their choice of terms. Everywhere capital is the starting point, the capitalist the central figure. So far does this go that both Smith and Ricardo use the term "natural wages" to express the minimum upon which laborers can live; whereas, unless injustice is natural, all that the laborer produces should rather be held as his natural wages. This habit of looking upon capital as the employer of labor has led both to the theory that wages depend upon the relative abundance of capital, and to the theory that interest varies inversely with wages, while it has led away from truths that but for this habit would have been apparent. In short, the misstep which, so far as the great laws of distribution are concerned, has led political economy into the jungles, instead of upon the mountain tops, was taken when Adam Smith, in his first book, left the standpoint indicated in the sentence, "The produce of labor constitutes the natural recompense of wages of labor," to take that in which capital is considered as employing labor and paying wages.

But when we consider the origin and natural sequence of things, this order is reversed; and capital instead of first is last; instead of being the employer of labor, it is in reality employed

by labor. There must be land before labor can be exerted, and labor must be exerted before capital can be produced. Capital is a result of labor, and is used by labor to assist it in further production. Labor is the active and initial force, and labor is therefore the employer of capital. Labor can be exerted only upon land, and it is from land that the matter which it transmutes into wealth must be drawn. Land therefore is the condition precedent, the field and material of labor. The natural order is land, labor, capital; and, instead of starting from capital as our initial point, we should start from land.

There is another thing to be observed. Capital is not a necessary factor in production. Labor exerted upon land can produce wealth without the aid of capital, and in the necessary genesis of things must so produce wealth before capital can exist. Therefore the law of rent and the law of wages must correlate each other and form a perfect whole without reference to the law of capital, as otherwise these laws would not fit the cases which can readily be imagined, and which to some degree actually exist, in which capital takes no part in production. And as capital is, as is often said, but stored-up labor, it is but a form of labor, a subdivision of the general term labor; and its law must be subordinate to, and independently correlate with, the law of wages, so as to fit cases in which the whole produce is divided between labor and capital, without any deduction for rent. To resort to the illustration before used: The division of the produce between land, labor and capital must be as it would be between Tom, Dick, and Harry, if Tom and Dick were the original partners, and Harry came in but as an assistant to and sharer with Dick.

**Leon MacLaren - The Nature of Society, pp.44-7**

When a man wishes to buy a piece of land but has not the funds available to pay for it, not infrequently, he will obtain a loan to buy the land and give a mortgage as security for it. It is usual under the terms of the loan for the borrower to agree to pay, in addition to the sum borrowed, an annual charge for the duration of the loan. This periodic payment is normally called interest. In this particular case, however, no capital has been involved in the transaction at all. The man borrowed the money because he wanted to purchase land. Under the terms of the mortgage, if he does not pay the annual charge his creditor will take the land. The only reason why the borrower acquired the money and agreed to pay the charge was because he wanted the

land. It must be clear, therefore, that the annual payment does not relate to capital at all, but is exacted from the borrower by the lender in virtue of the loan.

Indeed, whether or not capital enters into the scheme will depend on the use which the borrower makes of the loan; but, whatever use he makes of it, he may have to pay interest just the same. Clearly, the power of the lender to command interest has nothing to do with the use to which the loan is put. Whether the borrower uses it to build a factory or acquire a dwelling-house, whether he spends it on tools of his trade or gambling on horses, will make no difference. The power of the lender arises from the dual facts that he has command of wealth and the borrower wants it.

The coupling of interest with capital has been an unfortunate error prolific in its progeny of falsehoods. It arises from confusing the power to exact payment for loans with the use to which some of the loans are put. It glosses over the fact that they may not be used to produce wealth at all; that they may be consumed in princely extravagance, as by autocratic governments; in the prevention of production, as when men seeking monopoly buy up competitive undertakings to close them down; or in the destruction of wealth, as in the prosecution of war. It gives to the idea of a loan a quality it should not possess, a suggestion of productiveness and of social benefit, obscuring the indebtedness and dependence which the loan so plainly advertises. Whether the power over wealth which the borrower acquires is used productively, unproductively, or destructively, will depend on the borrower, not on the lender.

Whereas rent and wages are the claims of landowner and laborer respectively, arising out of the fruitful interaction of labour and land; interest arises from a human relationship, the relationship of creditor and debtor.

...Interest is a payment made by one person to another in return for a loan of a claim to wealth.

## **Iron Law of Wages**

### **Bronfenbrenner, et al. - Economics, p.G-16**

The doctrine that population growth will push wages down to the subsistence level.

### **Henry George - Social Problems, p.146**

This is the 'iron law of wages', as it is styled by the Germans - the law which determines wages to the minimum on which laborers will consent to live and reproduce. It is recognized by all economists, though by most of them attributed to other causes than the true one. It is manifestly an inevitable result of making the land from which all must live the exclusive property of some.

## **Justice**

**The constant will to render to every man his due.**

### **American Heritage Dictionary**

- n.
1. Moral rightness; equity.
  2. Honor; fairness.
  3. Good reason: He's very angry, and with justice.
  4. Fair handling; due reward or treatment.
  5. The administration and procedure of law.

### **Georgia Harkness - The Sources of Western Morality, pp. 111-12, 116-18**

In the early communistic days, there was little disparity of wealth. With the assumption of agricultural life with its greater measure of private ownership, inequalities developed which became increasingly accentuated. There was never among the Hebrews, as in Babylon and Rome, a distinct separation between patrician and plebeian classes.. The implicit equalitarianism of the Covenant relation to Yahweh was a safeguard against such stratification. Yet from two directions - the power of the kings and the power of wealthy landowners - economic disparities of great proportions with economic injustices appeared.

We have noted how Solomon's heavy burdens of taxation, transmitted to his son Rehoboam, was the factor that split the kingdom. The rich seem flagrantly to have annexed the small ancestral estates of their neighbors, as in Ahab's seizure of Naboth's vineyard (I Kings 21) and the Shunamite woman's loss of her land (II Kings 8:1-6). Crop failures, taxes, exactions for war, and the ordinary losses due to bad luck or bad management forced the poor into debt, and from debt into slavery, somewhat as happens now with the piling up of mortgages and their foreclosure. Once down, no amount of legislation could guarantee justice to the poor. So the rich got richer and the poor got poorer, until there came warning voices - and finally a crash....

With keen insight and a vigor that has seldom been equaled in human utterance, the prophets of Israel denounced social oppression and apostasy [an abandonment of one's religious faith, political party, or cause], and foretold the doom that would fall upon the people if they did not change their ways. With variations according to temperament and their times, they rang the changes on four insistent themes: supreme allegiance to Yahweh, economic justice for all, the placing of righteousness

above ritualistic correctness, and the inevitable doom which a long-suffering but just God will send on the unrepentant.

A complex set of forces brought the prophets into being. They represent the protest of the old nomadic equality against agrarian inequality; the common people against corrupt landowners and kings; the lay worshiper against the priest. In general, theirs is the voice of democracy, without a political democratic structure, against entrenched feudalism. But it to miss their most distinctive message to try to explain them mainly in terms of economic or political developments. A sense of God's holiness and righteousness underlies the entire prophetic demand for justice. Without it, they might have raised their voices in protest, as the author of "The Eloquent Peasant" did centuries earlier in Egypt or the poet Hesiod - their unknown contemporary - did in eighth-century Greece. But without this sense of God's holiness and righteousness, the Hebrew prophets would not have spoken as they did or made the indelible contribution that they made on all subsequent Hebrew-Christian thought.

A protest against inequality to be effective must rest on one or the other of two foundations: great coercive power, or a dynamic faith that transcendent, even cosmic, forces are on the side of such a protest. The first of these the prophets obviously could not have. The political rulers who had it, and who not infrequently tried to silence the prophets, have long since passed into oblivion, while the prophets still are living figures. The second requirement they had in abundant measure, and it gave them their power. It is the lack of it which has accounted for the relative lack of effectiveness in both political socialism and the preaching of a moralistic social gospel in our day, while it is its presence in powerful though perverted form that gives Communism its demonic strength.

This combination of a dynamic religious faith with insight brought to bear on economic and political matters is seen in the work of all the principal prophets. They demanded in the name of the Lord the eradication of exploitation - particularly in the acquiring of land and in shady commercial dealings, and a putting away of the idleness, luxury and debauchery which were corrupting the rich and leading to further injustices. But such protests against social acquisitiveness and pride are so intertwined with indictments of spiritual pride that the two must be understood together.

**Plato**

Zeus therefore, fearing the total destruction of our race, sent Hermes to impart to men the qualities of respect for others and a sense of justice, so as to bring order into our cities and create a bond of friendship and union.

**Plato - The Republic Book IV, pp. 707-8**

But in reality justice was such as we were describing, being concerned however, not with the outward man, but with the inward, which is the true self and concernment of man: for the just man does not permit the several elements within him to interfere with one another, or any of them to do the work of others, - he sets in order his own inner life, and is his own master and his own law, and at peace with himself; and when he has bound together the three principles within him, which may be compared to the higher, lower, and middle notes of the scale, and the intermediate intervals - when he has bound all these together, and is no longer many, but has become one entirely temperate and perfectly adjusted nature, then he proceeds to act, if he has to act, whether in a matter of property, or in the treatment of the body, or in some affair of politics or private business; always thinking and calling that which preserves and cooperates with this harmonious condition, just and good action, and the knowledge which presides over it, wisdom, and that which at any time impairs this condition, he will call unjust action, and the opinion which presides over it ignorance.

**Plato - Laws IX, p. 609**

And now I can define to you clearly, and without ambiguity, what I mean by the just and unjust, according to my notion of them: - When anger and fear, and pleasure and pain, and jealousies and desires, tyrannize over the soul, whether they do any harm or not, - I call all this injustice. But when the opinion of the best, in whatever part of human nature states or individuals may suppose that to dwell, has dominion in the soul and orders the life of every man, even if it be sometimes mistaken, yet what is done in accordance therewith, and the principle in individuals which obeys this rule, and is best for the whole life of man, is to be called just..

**Aristotle - De Mundo**

God, then, as the old story has it, holding the beginning and the end and the middle of all things that exist, proceeding by a straight path in the course of nature, brings them to accomplishment; and with Him ever follows justice, the avenger of

all that falls short of the divine law - justice, in whom may he that is to be happy be from the first a blessed and happy partaker.

**Aristotle**

Participation in a common understanding of justice makes a community.

**Georgia Harkness - The Sources of Western Morality, p.197**

He [Aristotle] drew a distinction far in advance of his times in his analysis of justice as *distributive* (a proper distribution of goods) or *corrective* (a remedial use of punishment). Yet like Adam Smith and many who have justified free competition in a capitalistic society as automatically adjusting possession to ability, he failed to see that private profit would not guarantee distributive justice.

**Kenneth Lux - Adam Smith's Mistake, p.87**

[Adam] Smith says, "Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own way, and to bring both his industry and capital into competition with those of any other man, or order of men." *As long as he does not violate the laws of justice.* This qualification is critical, yet it is missing from his earlier statement, which has become the hallmark statement for economics and for the place of self-interest in the modern world.

While a respect for justice is not necessarily equivalent to benevolence, it is certainly *closer* to benevolence than to self-interest, and that is why Smith counterbalances self-interest with justice in the grand concluding statement quoted above. Although, in his earlier work, The Theory of Moral Sentiments, Smith draws a fine distinction between justice and "beneficence", he clearly classifies both as "the virtues".

**Kenneth Lux - Adam Smith's Mistake, p.101**

When we take The Wealth of Nations as a whole, and not just as represented by the self-interest quotes made famous in economics textbooks, it becomes quite clear that the essential thrust of the book is against the avarice of the wealthy and the exploitation of the weak by the strong. Although not too openly advertised by most of Smith's famous followers, even if they knew of it, the most consistent theme running throughout Smith's book, besides that of liberty, is the need to uplift and support the



aspiration of the workers and the poor. And these two central themes go hand in hand. It is the uplifting of the laborer that Smith's system of liberty was ultimately meant to accomplish. Therefore, whenever Smith specifically talks about liberty he also talks about justice. So, 'liberty and justice for all,' as quoted in the American Pledge of Allegiance, may very well be taken almost verbatim as Smith's motto in The Wealth of Nations.

### **Chrysippus**

You cannot find any other beginning of justice than that from Zeus and from common nature; for from this source all such must have its beginning, if we are to take any ground on boons and evils.

### **Hesiod**

The better path is to go by on the other side towards justice; for justice beats outrage when she comes at length to the end of the race. But only when he has suffered, does the fool learn this. For oath keeps pace with wrong judgments. There is a noise when justice is being dragged in the way where those who devour bribes and give sentence with crooked judgments take her...they who give straight judgments to strangers and to the men of the land, and go not aside from what is just, their city flourishes, and the people prosper in it...neither famine nor disaster ever haunt men who do true justice; but lightheartedly they tend the fields which are all their care.

### **Justinian - Institutes**

He is just who gives to each what belongs to him.

### **Charles Avila - Ownership Early Christian Teaching, p.74**

Justice has a relationship to the society of humankind and to the community...But what the philosophers consider to be the very first function of justice is, in our opinion, to be excluded. For they say that the first duty of justice is not to harm anyone unless provoked by injury; but this is voided by the authority of the Gospel (cf. Luke 9:55)....Next, they deem it a duty of justice to consider the things that are common, that is, those that are public property, as public property indeed, and those that are private as private. But the latter term is not according to nature, for nature has brought forth all things for all in common. Thus God has created everything in such a way that all things be possessed in common. Nature therefore is the mother of common right, usurpation of private right. [-Ambrose]

**Charles Avila - Ownership Early Christian Teaching, p.92**

But perhaps someone may say, 'Why then has he given to me, a rich person, and not also to the poor person?'...He has not willed your riches to be unproductive, nor the other's poverty to be without its reward. He has given to you, rich person, that you be rich in almsgiving, and make distribution in justice. [John Chrysostom]

**Montesquieu - L'Esprit Des Lois, Book 1, Chapter 1**

Before there were laws made, there were potential relations of justice. To say that there is nothing just or unjust save what positive laws command or forbid is to say that before the circle had been drawn all the radii were not equal. We must, then, admit relations of equity existing before the positive law which establishes them.

**Montesquieu**

Justice is a relation of congruity which really subsists between two things. This relation is always the same, whatever being considers it, whether it be God, or an angel, or lastly a man.

**Francis Neilson - In Quest of Justice, p.12**

However, there is a definition which is more to our purpose, and I must accept responsibility for putting it into a composite form. It is made up of the sayings of Socrates, as found in Plato's Republic, when the inquiry into what is justice was instituted that great day after the festival at the Piraeus. These are the words of Socrates put together from his sayings in the Dialogue:

Justice is the institution of a natural order in which a man can produce food, buildings, and clothing for himself, removing not a neighbor's landmark (a slice of our neighbor's land), practicing one thing only, the thing to which his nature is best adapted, doing his own business, not being a busybody, not taking what is another's, nor being deprived of what is his own, having what is his own, and belongs to him, interfering not with another, so that he may set in order his own inner life, and be his own master, his own law, and at peace with himself.

**Francis Neilson - In Quest of Justice, pp.14-5**

We should now gather from these various sayings and definitions of the Greeks the notion that justice is from the beginning and is not a mere legal term as it is understood by men today.

Justice is indeed so closely inter-linked with the conception of natural law that it is impossible to dissociate the two. My own definition of it is: "Justice is the law of Providence inherent in nature." It comes from the Creator; indeed, creation itself is unthinkable without it. It determines the natural right of man to use the source of his well-being. Those who scorn the idea of natural law or natural right do not realize when they do so that, at the same time, they deny justice. Many are guilty of this through ignorance, but how many in repudiating natural law and justice do so for the sole purpose of legalizing ill-gotten gains?

**Henry George - Progress and Poverty, p.545**

The poverty which in the midst of abundance pinches and imbrutes men, and all the manifold evils which flow from it, spring from a denial of justice. In permitting the monopolization of the opportunities which nature freely offers to all, we have ignored the fundamental law of justice - for, so far as we can see, when we view things upon a large scale, justice seems to be the supreme law of the universe. But by sweeping away this injustice and asserting the rights of all men to natural opportunities, we shall conform ourselves to the law - we shall remove the great cause of unnatural inequality in the distribution of wealth and power; we shall abolish poverty; tame the ruthless passions of greed; dry up the springs of vice and misery; light in dark places the lamp of knowledge; give new vigor to invention and a fresh impulse to discovery; substitute political strength for political weakness; and make tyranny and anarchy impossible.

**Henry George - Progress and Poverty, p. ?**

What is probably the deepest truth we can grasp? That alone is wise which is just; that alone is enduring which is right...In justice is the highest and truest expediency...Unless its foundations be laid in justice the social structure cannot stand. Our primary social adjustment is a denial of justice. In allowing one man to own the land on which and from which other men may live, we have made them bondsmen in a degree that increases as material progress goes on...Let the landholders have, if you please, all that the possession of the land would give them in the absence of the rest of the community. But rent, the creation of the whole community, necessarily belongs to the community.

**Hari Prasad Shastri - The Heart of the Eastern Mystical Teaching, p. 19**

Ethical standards of judgment differ according to the spiritual development of the individual. Forgiveness is the law of spiritual people. You may say: 'What about justice?' We do not stand for legal justice; our justice is forgiveness. When there is only one Existence pervading all, blamer and blamed are fundamentally one. Let not the peace of mind of my children be disturbed by considerations of worldly justice. Do trees seek justice from the wood-cutter? Did Christ cry for justice against His accusers ? The punishment meted out to the so-called violator of peace or social order will rankle in his heart for a long time. He may actively show his grudge against you when an opportunity is found.

## **Labor**

**All human exertion, physical and mental, in the production of wealth.**

### **The American Heritage Dictionary**

n. Also chiefly British labour.

1. Physical or mental exertion of a practical nature, as distinguished from exertion for the sake of amusement; work.
  2. A specific task.
  3. Work for wages, as distinguished from work for profits.
  4. Workers collectively; the laboring class.
- v.
1. To work; toil.
  2. To strive painstakingly.
  4. To be hampered. Used with under: labor under a misconception.

**He**

### **nry George - Progress and Poverty, p.32**

...the term labor includes all human exertion in the production of wealth.

### **Leon MacLaren - Nature of Society, p.12**

...the word "labour" means all human effort.

### **Adam Smith - The Wealth of Nations, p.1**

The annual labour of every nation is the fund which originally supplies it with all the necessaries and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labour, or in what is purchased with that produce from other nations.

### **Henry George - The Science of Political Economy, pp.411-12**

All human actions, or at least all conscious human actions, have their source in desire and their end or aim in the satisfaction of desire. The intermediary action by which desire secures its aim in satisfaction, is exertion. The economic term for this exertion is labor. It is the active, and from the human standpoint, the primary or initiative, factor in all production—that which being applied to land brings about all the changes conducive to the satisfaction of desire that it is possible for man to make in the material world.

In political economy there is no other term for this exertion than labor. That is to say, the term labor includes all human exertion in the production of wealth, whatever its mode. In common parlance we often speak of brain labor and hand labor as though they were entirely distinct kinds of exertion, and labor is often spoken of as though it involved only muscular exertion. But in reality any form of labor, that is to say, any form of human exertion in the production of wealth above that which cattle may be applied to doing, requires the human brain as truly as the human hand, and would be impossible without the exercise of mental faculties on the part of the laborer.

Labor in fact is only physical in external form. In its origin it is mental or on strict analysis spiritual. It is indeed the point at which, or the means by which, the spiritual element which is in man, the Ego, or essential, begins to exert its control on matter and motion, and to modify the material world to its desires.

As land is the natural or passive factor in all production, so labor is the human or active factor. As such, it is the initiatory factor. All production results from the action of labor on land, and hence it is truly said that labor is the producer of all wealth.

## **Labor Theory of Value**

### **"Economics" - Microsoft (R) Encarta**

Marx adopted, for example, a version of Ricardo's labor theory of value. With a few qualifications, Ricardo had explained prices as the result of the different quantities of human labor needed to produce different finished products. Accordingly, if a shirt is priced at \$12 and a pair of socks at \$2, it is because six times as many hours of human labor entered into the making of the shirt as the socks. For Ricardo, this theory of value was an analytical convenience, a way of making sense of the multitude of different prices in shops. For Marx, the labor theory was a clue to the inner workings of capitalism, the master key to the inequities and exploitation of an unjust system.

## **Laissez faire**

### **American Heritage Dictionary**

1. The doctrine that government should not interfere with commerce.
2. *Informal.* Noninterference in the affairs of others.  
[French, "allow (them) to do."]

### **Kenneth Lux - Adam Smith's Mistake, p.23**

[Adam] Smith was impressed by the physiocrats' concept of *laissez-faire*. In order to counter the mercantilist economic doctrines of the French monarchy, the physiocrats had proposed what they called a *laissez-faire*, or 'let alone,' policy, which suggested that the king and his advisors should allow people to be free in their economic pursuits. While Smith never used this term in his book, he certainly was imbued with this spirit, referring instead to the 'simple secret of perfect liberty' and using the general label of *economic liberty* for what he was proposing.



## **Land**

**A volume of space at a particular location and everything contained within it, including all natural resources, but excluding human beings and their products.**

### **American Heritage Dictionary**

- n. 1. The solid ground of the earth, especially as distinguished from the sea.  
2. The soil; the earth: till the land.

### **Anonymous**

There was an economist who planned  
To teach economics without land.  
He might have succeeded  
But found that he needed  
Food, shelter and a place to stand.

### **Horace Greeley**

Go west, young man, go west -- but don't do any work -- get land,  
and in a few years you will be rich beyond your fondest  
expectations.

### **John A. Powelson - The Story of Land, p.27**

In the Odyssey, Homer declared that short of death, the worst fate for a man was to have no land and therefore have to serve another.

### **Charles Avila - Ownership Early Christian Teaching, p.6**

Hilaire Belloc, the English historian, once remarked that the human being is, quite inescapably, "a land animal": without land the human being simply cannot live. All that one consumes, and every condition of one's being, is ultimately referable to land. "The very first condition of all, viz. mere space in which to extend his being, involves the occupation of land."

### **John Winthrop - Of Plymouth Plantation**

Being thus arrived in a good harbor, and brought safe to land, they fell upon their knees and blessed the God of Heaven, for having delivered them from the vast ocean with all the perils and miseries thereof, once again to set their feet upon the firm and stable earth, their proper element.

### **Henry George - Progress and Poverty, pp.38-9**

The term land necessarily includes, not merely the surface of the

earth as distinguished from the water and the air, but the whole material universe outside of man himself, for it is only by having access to land, from which his very body is drawn, that man can come in contact with or use nature. The term land embraces, in short, all natural materials, forces, and opportunities, and, therefore, nothing that is freely supplied by nature can be properly classed as capital. A fertile field, a rich vein of ore, a falling stream which supplies power, may give to the possessor advantages equivalent to the possession of capital, but to class such things as capital would be to put an end to the distinction between land and capital, and, so far as they relate to each other, to make the two terms meaningless.

**Henry George - The Science of Political Economy, pp.408-10**

Man produces by drawing from nature. Land, in political economy, is the term for that from which he draws - for that which must exist before he himself can exist. In other words, the term land in political economy means the natural or passive element in production, and includes the whole external world accessible to man, with all its powers, qualities and products, except perhaps those portions of it which are for the time included in man's body or in his products, and which therefore temporarily belong to the categories, man and wealth, passing again in their re-absorption by nature into the category, land.

The original and ordinary meaning of the word, land, is that of dry superficies of the earth as distinguished from water or air. But man, as distinguished from the denizens of the water or the air, is primarily a land animal. The dry surface of the earth is his habitat, from which alone he can venture upon or make use of any other element, or obtain access to any other material thing or potency. Thus, as a law term, land means not merely the dry superficies of the earth, but all that is above and all that may be below it, from zenith to nadir. For the same reason the word land receives like extension of meaning when used as a term of political economy, and comprises all having material form that man has received or can receive from nature, that is to say, from God.

Thus the term "land" in political economy means the natural or passive factor, on which and by or through which labor produces, and can alone produce.

But that land is only a passive factor in production must be carefully kept in mind. It is a thing, but not a person, and

though the tendency to personification leads not merely in poetry but in common speech to the use of phrases which attribute sentiment and action to land, it is important to remember that when we speak of a smiling, a sullen, or an angry landscape, of a generous or a niggard land, of the earth giving or the earth receiving, or rewarding or denying, or of nature tempting or forbidding, aiding or preventing, we are merely using figures of speech more forcibly or more gracefully to express our own feelings by reflection from inanimate objects. In the production of wealth, land cannot act; it can only be acted upon. Man alone is the actor.

Nor is this principle changed or avoided when we use the word land as expressive of the people who own land. Landowners, as landowners, are as purely passive in production as land itself; they take no part in production whatever. When Arthur Young spoke of the "magic of property turning sands to gold" he was using a figure of speech. What he meant to say was that the effect of security in the enjoyment of the produce of labor on land was to induce men to exert that labor with more assiduity and intelligence, and thus to increase the produce. Land cannot know whether men regard it as property or not, nor does that fact in any degree affect its powers. Sand is sand and gold is gold, and the rain falls and the sun shines, as little affected by the moral considerations that men recognize as the telegraph-wire is affected by the meaning of the messages that pass through it, or as the rock is affected by the twitter of the birds that fly over it.

I speak of this because although their definition of land as a factor in production is precisely that which I have given, there is to be found in the accepted treatises on political economy a constant tendency to the assumption that landowners, through their ownership of land, contribute to production.

That the persons whom we call landowners may contribute their labor or their capital to production is of course true, but that they should contribute to production as landowners, and by virtue of that ownership, is as ridiculously impossible as that the belief of a lunatic in his ownership of the moon should be the cause of her brilliancy.

We could not if we would, and should not if we could, utterly eschew metaphors; but in political economy we must be always careful to hold them at their true meaning.

**Leon MacLaren - Nature of Society, pp.8,14**

The first great factor is the natural resources of the universe. Abundantly different as are the forms which they take, all have the same economic purpose and display the same peculiarities. Together they constitute the storehouse from which man draws all he possesses. Year in and year out, unless disturbed by man, they remain or reproduce themselves in numbers and quantities so nearly the same, that only after very long periods have elapsed can any substantial change be noted. Man may discover new possibilities in these resources, but he cannot add an ounce to their weight. Indeed, it is the secret of their creation which baffles science and is the subject of disputes among religious teachers. To them, men must daily return for both the necessities of life and its luxuries and refinements.

These natural resources are known in the language of economics as "land". The word land, used in this sense, includes, not merely the minerals which lie in the earth, but the wild beasts and birds which live upon it and the oceans and waterways which flow in its hollows. It may be defined as "all natural resources exterior to man himself."

...Land is not wealth. On the contrary, it is the source of all wealth - something which must come before wealth can exist. It is one, and only one, of the factors in the production of wealth.

**Leon MacLaren - The Nature of Society, p.279**

In economics, the natural resources of the universe have been classed together, because they are the living creation from which mankind draws all the substance for his artificial world. In doing this, objects as diverse as a hawk on the wing and a coal seam in the earth have both been called "land". We have preferred to call them the natural universe.

**Henry George - The Science of Political Economy, pp.353-55**

Thus, while the fundamental quality of land is that of furnishing to men a place on which they may stand or move, or rest things on, this is not the quality first noticed. As settlers in a wooded country, where every foot of land must be cleared for use, come to regard trees as a nuisance to be got rid of, rather than as the source of all that in the progress of civilization they afterwards become, so in that rude stage of social development which we are accustomed to think of as the primary condition of mankind, where the mode of expending labor in production which

most attracts attention is that we have called "adapting", land would be esteemed rich or poor according to its capacity of yielding to labor expended in this first mode, the fruits of the chase.

In the next higher stage of social development, in which that second mode of production, which we have called "growing", begins to assume most importance in social life, that quality of land which generally and strongly attracts attention is that which makes it useful in agriculture, and land would be esteemed rich or poor according to its capacity for yielding to labor expended in the breeding of animals and raising of crops.

But in the still higher stage of social development which what we now call the civilized world is entering, attention begins to be largely given to the third mode of production, which we have called "exchanging", and land comes to be considered rich or poor according to its capacity of yielding to labor expended in trading. This is already the case in our great cities, where enormous value attaches to land, not because of its capacity to provide wild animals to the hunter, nor yet because of its capacity to yield rich crops to the grower, but because of its proximity to centers of exchange.

That the development of our modern economy began in what was still mainly the second stage of social development, when the use of land was usually regarded from the agricultural point of view, is it seems to me, the explanation of an otherwise curious way of thinking about land that has pervaded economic literature since the time of the Physiocrats, and that still continues to pervade the scholastic political economy - a way of thinking that leads economic writers to treat land as though it were merely a place or substance on which vegetables and grain may be grown and cattle bred.

The followers of Quesnay saw that there is in the aggregate production of wealth in civilization an unearned increment - an element which cannot be attributed to earnings of labor or capital - and they gave to this increment of wealth, unearned so far as individuals are concerned, the name of product net or surplus product. They rightly traced this unearned or surplus product to land, seeing that it constituted to the owners of land an income or return which remained to them after all expenditure of labor and investment of capital in production had been paid for. But they fell into error in assuming that what was indeed

in their time and place the most striking and prominent use of land in production, that of agriculture, was its only use. And finding in agriculture, which falls into that second mode of production I have denominated "growing", the use of a power of nature, the germinative principle, essentially different from the powers utilized in that first mode of production I have denominated "adapting", they, without looking further, jumped to the conclusion that the unearned increment of wealth or surplus net sprang from the utilization of this principle. Hence they deemed agriculture the only productive occupation, and insisted in spite of the absurdity of it that manufactures and commerce added nothing to the sum of wealth above what they took from it, and that the agriculturist or cultivator was the only real producer.

**Henry George - Progress and Poverty, Preface pp.xix-xxi**

If we attempt to isolate, as Spinoza might have written, "the essence", the common cause of the existing, intense, world unrest and tension outside of all pressure interests, the one above all others which is the most widespread, and the one which has been the most widespread throughout the ages, it is the ever-insistent struggle of the individual for food, shelter, and clothing. In Progress and Poverty Henry George has explained the economic and ethical factors which of necessity result in this ever-insistent struggle of the individual for the sheer necessities of life, and with such sound logic that it has never been successfully assailed - the appropriation of the economic rent of land, that is, of ground rent, for private use.

...Since the holocaust which the writers of history call World War II, there has come about for the first time the simultaneous recognition in widely separated parts of the earth that the underlying cause of existing world unrest and tension is a land problem, and a land problem postulates the appropriation of economic rent by someone. World unrest and tension is a land problem because all of the sheer necessities of life - food, clothing, and shelter - for which the individual is always struggling, are products of land. The earth is "the mother of all things." That fact every farmer knows, every cattle raiser, every lumberjack, every oil well driller. The man who is born in the large city, who treads the sidewalks and rides the subway tunnels each day, lacks a feeling of oneness with nature, and for him it is difficult, perhaps impossible, to realize the overpowering importance of land to everyday life. But it is there, just the same.

**Richard Noyes: Editor - Now the Synthesis, p.158,4**

The rules by which land is occupied dictate the way people relate to each other and determine the success with which they interact. The system of land tenure may be used to divide people, or to integrate them into healthy communities. Examples of the former case are the *apartheid* laws of South Africa, which created the Bantustans to segregate races, and the large rural estates of Latin America which also vouchsafe the best land to a few. An example of the latter case may be found in Denmark, where the Viking tradition that the land belongs to all the people has underpinned specific tenurial measures, such as taxes on land value and on the imputed rent of owner-occupied housing, which have allowed the development of a relatively equal society.

...Land, in Gorbachev's view, ought to remain in social ownership, but with the individual user having secure possession of the sites he needed upon which to live and work, paying the community a rent in return for this privilege - a solution straight out of Henry George's Progress and Poverty. Boris Yeltsin, the President of the Russian Federation, impatient though he was with the reform process - an impatience that brought him into serious political conflict with Gorbachev - nevertheless agreed that the ownership of land was not negotiable. Yeltsin was quoted as stating: "People here do not understand the concept of buying and selling land. The land is like a mother. You don't sell your mother."

**Bible - Leviticus 25:23-24**

The land shall not be sold forever: for the land *is* mine; for ye are strangers and sojourners with me.

And in all the land of your possessions ye shall grant a redemption for the land.

**Jomo Kenyatta**

When the white man came we had the land and they had the Bible. They taught us to pray with our eyes closed and when we opened them, they had the land and we had the Bible.

## **Landlord**

### **American Heritage Dictionary**

- n. 1. A person from whom a tenant leases land, buildings, or dwelling units.
2. A man who runs a rooming house or inn; innkeeper.

### **Adam Smith - The Wealth of Nations, Bk. I, Ch. VI, P.56**

As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce.

### **David Ricardo - The Principles of Political Economy**

The landlord is always opposed to the interest of every other class in the community. His situation is never so prosperous as where food is scarce and dear, whereas all other persons are benefited by procuring food cheap.



## **Landlordism**

### **The American Heritage Dictionary**

- n.
1. Land management in which ownership of land is vested in a private individual or group that leases it to tenants.
  2. The principles and practices of landlords collectively.

## **Land Value Taxation (LVT)**

### **Henry George - Justice the Object-Taxation the Means, pp.8-9**

We do not propose a tax upon land, as people who misapprehend us constantly say. We do not propose a tax upon land; we propose a tax upon land values, or what in the terminology of political economy is termed rent; that is to say, the value which attaches to land irrespective of any improvements in or on it; that value which attaches to land, not by reason of anything that the user or improver of land does - not by reason of any individual exertion of labor, but by reason of the growth and improvement of the community. A tax that will take up what John Stuart Mill called the unearned increment; that is to say, that increment of wealth which comes to the owner of land, not as a user; that comes whether he be a resident or an absentee; whether he be engaged in the active business of life; whether he be an idiot and whether he be a child; that growth of value that we have seen in our own times so astonishingly great in this city; that has made sand lots, lying in the same condition that they were thousands of years age, worth enormous sums, without anyone putting any exertion of labor or any expenditure of capital upon them.

Now, the distinction between a tax on land and a tax on land values may at first seem an idle one, but it is a most important one. A tax on land - that is to say, a tax upon all land - would ultimately become a condition to the use of land; would therefore fall upon labor, would increase prices, and be borne by the general community. But a tax on land values cannot fall on all land, because all land is not of value; it can only fall on valuable land, and on valuable land in proportion to its value; therefore, it can no more become a tax on labor than can a tax upon the value of special privileges of any kind. It can merely take from the individual, not the earnings of the individual, but that premium which, as society grows and improves, attaches to the use of land of superior quality.

## Law

**Law, in its most general and comprehensive sense, signifies a rule of action, which is prescribed by some superior, and which the inferior is bound to obey.**

### The American Heritage Dictionary

- n.
1. A rule established by authority, society, or custom.
  - 2.a. The body of rules governing the affairs of man within a community or among states; social order: *the common law; the law of nations.*
  - 2.b. A declaration or position which is not to be questioned or disputed: *His word is law.*
  3. A set of rules or customs governing a discrete field or activity: *the law of contracts; criminal law.*
  4. The body of rules originally enforced by the common law courts, in distinction to the rules and decisions given by the chancellor in England and the courts of equity.
  - 5.a. The system of courts, judicial processes, and legal officers giving effect to the laws of a society: *resort to the law in defense of one's interests.*
  - 5.b. An impromptu organization substituted for established juridical procedure: *lynch law.*
  6. The science and study of law; jurisprudence.
  7. Knowledge of law: *His law is good.*
  8. The profession of a lawyer.
  9. *Capital L. Often plural.* A code of behavior of divine origin: *Mosaic Law.*
  - 10.a. *Often plural.* Principles of conduct conceived to be of natural origin: *the laws of decency.*
  - 10.b. A way of life: *"who knew no law but the law of club and fang"* (Jack London).
  11. A code of principles and regulations observed by a profession or association or by a sportsmen: *the law of the turf.*
  - 12.a. *Often plural.* A formulation of the observed recurrence, order, relationship, or interaction of natural phenomena: *laws of motion.*
  - 12.b. A generalization based on the observation of repeated events: *Parkinson's law.*
  13. *Mathematics.* A general principle or rule that is

- obeyed in all cases to which it is applicable.
14. *Often plural.* The rules of art; principles or elements: *the laws of harmony; the laws of grammar.*
  15. The police or a policeman.

**Marcus Tullius Cicero - De Rei Publica, III, 33**

There is in fact a true law - namely, right reason - which is in accordance with nature, applies to all men, and is unchangeable and eternal. By its commands this law summons men to the performance of their duties; by its prohibitions it restrains them from doing wrong. Its commands and prohibitions always influence good men, but are without effect on the bad. To invalidate this law by human legislation is never morally right, nor is it permissible ever to restrict its operation, and to annul it wholly is impossible. Neither the Senate nor the people can absolve us from our obligation to obey this law, and it requires no Sextus Aelius to expound and interpret it. It will not lay down one rule at Rome and another at Athens, nor will it be one rule today and another tomorrow. But there will be one law, eternal and unchangeable, binding at all times upon all peoples; and there will be, as it were, one common master and ruler of men, namely God, who is the author of this law, its interpreter and its sponsor. The man who will not obey it will abandon his better self, and, in denying the true nature of a man, will thereby suffer the severest of penalties, though he has escaped all other consequences which men call punishment.

**Marsilio Ficino - The Letters of Marsilio Ficino, Volume I, pp.40-42**

You persuaded me to render The *Laws* of Plato from Greek into Latin, and the great Cosimo also encouraged me to the same work. This I have already done, and all the more willingly because I considered the state to need the best lawyers more than good merchants or doctors. In the same degree as Minos benefited the Greeks more than Galen did, so is the soul superior to the body or the spirit, and eternal life to the temporal. Indeed, commerce appears to be the body of the state, medicine the spirit, and law the soul. Yet, although there appear to be many laws in the state there are not many souls. For, just as many skills and many levels of citizen do not make many states but only one if they move towards the same goal and according to similar principles, so there may be many magistrates' regulations in a city yet there is but one public law. This is the common rule of living justly, which leads to the public happiness. God

and nature prepare us for this law, regulations guide us towards it, and God alone finally makes us conform to it. For from the divine law spring both the law of the stars and the law of men.

For this reason all lawgivers have partly like apes copied Moses, the truest author of divine laws. Partly compelled by truth, I know not how, they have affirmed that they received the laws from God in various guises: Osiris, the giver of law to the Egyptians, from Mercurius; Zoroaster of the Arimaspians, from a good spirit; Zamolxis of the Scythians, from Vesta; Minos of Crete and Solon of Athens, from Jove; Lycurgus of Sparta, from Apollo; Numa, King of the Romans, from the nymph Egeria; Mohammed, King of the Arabs, from the angel Gabriel. Our own Plato took the framework for his books on law from God, whom he declared to be the universal author of all laws. This he also confirmed in the dialogue entitled *Protagoras*, saying that those skills which relate to sustaining life, were handed down to us by Prometheus, that is, human providence. But the law of living well and happily was granted by Jove, that is by divine providence, through Mercury, which in angelic inspiration. My good friends, I cannot but admire the power of the law. For the order and harmony of law are necessary in the elements of the universe, the humors of a living being, the life of beasts, and also a den of thieves; even these men cannot live together without some just order. But what shall we say about this? That although among lower beings there may be no other virtue, yet even here law and justice are not lacking, which punish the wicked according to their deserts; and although among the blessed those moral virtues are no longer necessary which in mortals contribute to calming the agitation of body and senses, from which those who enjoy the blessed life are already free, yet law and justice flourish amongst them, endowing each with eternal rewards according to his merit, and protecting the blessed.

Farewell, fortunate men.

**William Blackstone - Commentaries on the Laws of England, Book One, Introduction Section II, pp.II.1-2**

Law, in its most general and comprehensive sense, signifies a rule of action; and is applied indiscriminately to all kinds of action, whether animate or inanimate, rational or irrational. Thus we say, the laws of motion, of gravitation, of optics, or mechanics, as well as the laws of nature and of nations. And it is that rule of action, which is prescribed by some superior, and which the inferior is bound to obey.

Thus when the supreme being formed the universe, and created matter out of nothing, he impressed certain principles upon that matter, from which it can never depart, and without which it would cease to be. When he put that matter into motion, he established certain laws of motion, to which all moveable bodies must conform. And, to descend from the greatest operations to the smallest, when a workman forms a clock, or other piece of mechanism he establishes at his own pleasure certain arbitrary laws for its direction; as that the hand shall describe a given space in a given time; to which law as long as the work conforms, so long it continues in perfection, and answers the end of its formation.

If we farther advance, from mere inactive matter to vegetable and animal life, we shall find them still governed by laws; more numerous indeed, but equally fixed and invariable. The whole progress of plants, from the seed to the root, and from thence to the seed again; --the method of animal nutrition, digestion, secretion, and all other branches of vital economy; --are not left to chance, or the will of the creature itself, but are performed in a wondrous involuntary manner, and guided by unerring rules laid down by the great creator.

This then is the general signification of law, a rule of action dictated by some superior being: and, in those creatures that have neither the power to think, nor to will, such laws must be invariably obeyed, so long as the creature itself subsists, for its existence depends on that obedience. But laws, in their more confined sense, and in which it is our present business to consider them, denotes the rules, not of action in general, but of human action or conduct; that is, the precepts by which man, the noblest of all sublunary [of this world; earthly; mundane] beings, a creature endowed with both reason and freewill, is commanded to make use of those faculties in the general regulation of his behavior.

**Henry George - Social Problems, p.242**

The domain of law is not confined to physical nature. It just as certainly embraces the mental and moral universe, and social growth and social life have their laws as fixed as those of matter and of motion. Would we make social life healthy and happy, we must discover those laws, and seek our ends in accordance with them.

**Richard Noyes: Editor - Now the Synthesis, p.36**

The primary instrument of coercion, and thus of injustice between people, is through the control of natural resources, land, the earth, access to which is the indispensable condition for existence. 'Everybody has to be somewhere.' Man without access to land is a slave. And so it is that virtually every written code of laws - the predecessors to constitutions and the more formal social contracts - has included some provision for guarding justice in land. The codes of Moses (1500 BC?), Lycurgus (900 BC?), Solon (600 BC?) and Licinius (300 BC?) all recognize the common rights of the world to a fair share in the earth.

**Rainer Maria Rilke**

Don't be confused by surfaces; in the depths everything becomes law.

**Leon MacLaren - Lectures Volume 4, pp.255-6**

To seek harmony is excellent; you are really seeking what is there, and everything that appears is the operation of law and it is appropriate to the level at which it works. It is like this: if people live under the very fine laws of the universe then they experience bliss; if they do not act according to those very fine laws, they get coarser laws which produce their result, which is not blissful, it has certain frustration in it, certain difficulty. If they do not even follow that, they come under an even coarser law and then they get misery. And you can go down like this until finally you are in a lunatic asylum in a padded cell, shut in, then there are a lot of laws; this is how it works. Now the beauty is to get into finer laws, refinement is the key, the laws are fewer and much finer and much freer, if they are not followed you get coarser laws, so nothing can be out of harmony...do you see that? It is all the work of law, and the law is the Will of the Absolute; that cannot be inharmonious, it is quite impossible. If one finds one is fighting other people in one's heart, well one has just forgotten that there are different orders of law, and you must not mix the levels.

**Leon MacLaren - Lectures Volume 4, pp.225-6**

You must have heard that story: there was a saintly man...I have forgotten his name now but it does not matter...well, one day he was baking some bread and a dog came up and stole the loaf and went running off with it. So he took up some butter and ran after the dog and said: "My Lord, my Lord, you mustn't have that stale bread, here is some butter." And the legend goes that the Lord

Sri Krsna came out of the dog and said: "My disciple you recognized Me." He said: "How could I have missed you?"

When you get to that stage then the necessities are somebody else's, do you see that? The dog's, or whoever it may be. Do you know this is a lesson; I will give you a tip: if you serve people fully and largely, as many as care to come, all the days of your healthy life, when you get old and your powers leave the body and you need help, you will be surrounded by friends. But if you spend your life feeding yourself, when you are old, there will be nobody there...that is a law. So let the necessity of the other rule you, that is the key, and you will lack nothing. This is the key to service, isn't it, and what a beautiful thing it is.

**The Bhagavad Gita - Chapter VIII, Verses 1-3**

Arjuna asked: "O Lord of Lords! What is that which men call Supreme Spirit, what is man's Spiritual Nature, and what is the Law? What is Matter and what is Divinity?"

"Who is it who rules the spirit of sacrifice in man; and at the time of death how may those who have learned self-control come to the knowledge of Thee?"

The Lord Shri Krishna replied: "The Supreme Spirit is the Highest Imperishable Self, and Its Nature is spiritual consciousness. The worlds have been created and are supported by an emanation from the Spirit which is called the Law."

**Shri Shantanand Saraswati - quoted in Being Oneself, pp.64-5**

A man can manage to live with less food, no house and very little clothing, but he cannot live without rest and the rest must be full. Rest is to give up, so he must give up in full. His physical world will crumble if this law is not obeyed.



## **Leadership**

### **American Heritage Dictionary**

- n.
1. The position, office, or term of a leader.
  2. A group of leaders.
  3. The capacity to be a leader; ability to lead.

### **Joseph Schumpeter - The Theory of Economic Development, p.84**

All knowledge and habit once acquired become as firmly rooted in ourselves as a railway embankment in the earth. It does not require to be continually renewed and consciously reproduced, but sinks into the strata of sub-consciousness... Everything we think, feel or do often enough becomes automatic and our conscious life is unburdened of it...This holds good likewise for economic daily life. And from this it follows also for economic life that every step outside the boundary of routine has difficulties and involves a new element. It is this element that constitutes the phenomenon of leadership.

## **Lease**

### **American Heritage Dictionary**

1. A contract granting use or occupation of land or holdings during a specified period in exchange for rent.
2. The term or duration of use or occupation granted by such a contract.
3. Property used or occupied by contract in exchange for rent.
4. An extension under improved circumstances; *a new lease on life*.

## **Legislation**

### **American Heritage Dictionary**

- n.   1.    The act or procedure of legislating; lawmaking.  
      2.    A law or laws made by such a procedure.

### **P.J. O'Rourke**

When buying and selling are controlled by legislation, the first things to be bought and sold are legislators.

## **Liberality**

### **American Heritage Dictionary**

1. The quality or state of being liberal.
2. A generous gift.

### **Leon MacLaren - Lectures Volume 4, pp. 24-5**

It is a great giving and receiving, the whole of creation is like that; it is very simple. After all why did Jesus keep saying: "Sell all thou hast and give to the poor"? All thou hast, lock stock and barrel. It is a good question, isn't it? He said it over and over again; when a man said: "Master, I want to follow you," He says: "Sell all thou hast and give to the poor." Now why did he say that? Now I will tell you why; there are four great virtues: one is lost when the satyayuga passes into the tretayuga, second is lost when the tretaayuga passes into the dvaparayuga, a third is lost when the dvaparayuga passes into the kaliyuga, and there is only one left, and that is liberality; hence: "Sell all thou hast and give to the poor"; that is liberality.

However, one does not have to get stuck in the kaliyuga; not at all, and therefore there is a virtue further back, and that is tell the Truth. That is a gift, speak of things as they really are and not some other way, but speak in a manner that is pleasing and delightful, as the Truth always is, and in this way step out of the kaliyuga. But in the kaliyuga the one virtue that will turn a man round and get him back is liberality, and so Jesus said over and over again: "Sell all thou hast and give to the poor."

You see what pinched pennies we all are; we are all looking dismal! You know, if I sold all I had I would have nothing left, no not at all, you would have the price, wouldn't you? Then you could give! I mean there is no use giving somebody your grandmother's grand piano, what is the use of that. If you look at what is in your house...or perhaps you better not!...you can ask how much is there for its utility, how much is there for its futility, and how much is there because grandmother gave it to me? It would be quite a question wouldn't it? And how much of it is truly beautiful? Serious question! There is utility, futility, and sentimentality: well, it is up to you, you can look and see. So: "Sell all thou hast and give to the poor" is liberality, but tell the Truth, and then you are a yuga further back. One thing

you will not get in the kaliyuga is people telling the Truth,  
anything else except that.

## **Liberty**

### **American Heritage Dictionary**

- n. 1.a. The condition of being not subject to restriction or control.
- 1.b. The right to act in a manner of one's own choosing.
- 2. The state of not being in confinement or servitude.
- 3. Permission to do a specific thing; privilege.
- 4.a. A social action regarded as more familiar than polite convention permits.
- 4.b. A statement, attitude, or action not warranted by conditions or actualities.

## **Lorenz Curve**

**Bronfenbrenner, et al. - Economics, p.G-18**

A curve that illustrates income inequality by plotting the cumulative percentage of total income received by successive percentages of the population, starting from the lowest income persons and proceeding cumulatively upward.

## **Macroeconomics**

### **John Duffy, Ph.D. - Cliffs Quick Review Economics, p.1**

The prefix *macro* means large, indicating that macroeconomics is concerned with the study of the market system on a large scale. Macroeconomics considers the *aggregate* performance of *all* markets in the market system and is concerned with the choices made by the large sub-sectors of the economy - the household sector, which includes all consumers; the business sector, which includes all firms; and the government sector, which includes all government agencies.

### **Bronfenbrenner, et al. - Economics, p.4**

Macroeconomics is the part of economic analysis that deals with aggregate, or grand total, economic activity. The actions of the separate decision makers that are analyzed in microeconomics are added together in macroeconomics in order to focus on things that affect the economy as a whole. The two main topics of macroeconomics are inflation and unemployment, although there are important macroeconomics aspects to international trade and economic growth as well.

### **Microsoft (R) Encarta - "Economics"**

Standard economics can be divided into two major fields..The second field, macroeconomics, deals with modern explanations of national income and employment. Macroeconomics dates from the book, The General Theory of Employment, Interest, and Money (1935), by the British economist John Maynard Keynes. His explanation of prosperity and depression centers on the total or aggregate demand for goods and services by consumers, business, investors, and governments. Because, according to Keynes, inadequate aggregate demand increases unemployment, the indicated cure is either more investment by businesses or more spending and consequently larger budget deficits by government.



## **Man**

### **American Heritage Dictionary**

- n.
1. An adult male human being, as distinguished from a female.
  2. Any human being, regardless of sex or age; a member of the human race; a person.
  3. The human race; mankind.
  4. *Zoology*. A member of the genus *Homo*, family Hominidae, order Primates, class mammalia, characterized by erect posture and an opposable thumb; especially, a member of the only extant species, *Homo sapiens*, distinguished by the ability to communicate by means of organized speech and to record information in a variety of symbolic systems.
  5. A male human being endowed with such qualities as courage, strength, and fortitude, considered characteristic of manhood.
  6. *Theology*. In Christianity and Judaism, a being composed of a body and a soul or spirit.
  9. Any workman, servant, or subordinate, as opposed to an employer or master.
  11. One who swore allegiance to a lord in the Middle Ages; a liegeman; vassal.

### **William Temple - Christianity and Social Order, pp.81-2**

Now man is a child of God, destined for eternal fellowship with Him, though a sinful child who in many ways frustrates his own destiny. Further, as children of God, men and women are members of one family, and their true development is that of an ever richer personal experience in an ever wider and deeper fellowship. If, then, an economic system is abundantly effective in producing and distributing material goods, but creates or intensifies divisions and hostilities between men, that system is condemned, not on economic but on moral grounds; not because it fails to deliver the goods, but because it is a source of wrong personal relationships.

## Margin

The least productive site in use given equal application of skill and effort on each site.

### American Heritage Dictionary

- n.
1. An edge and the area immediately adjacent to it; border; rim; verge.
  2. The blank space bordering the written or printed area on a page.
  3. A limit of a state or process; *the margin of reality*.
  4. An amount allowed beyond what is needed; a surplus measure or amount.
  5. A measure, quantity or degree of difference.
  6. *Economics.*
    - a. The minimum return that an enterprise may earn and still pay for itself.
    - b. The difference between the cost and the selling price of securities or commodities.
  7. *Finance.* An amount in money, or represented by securities, deposited by a customer with his broker as a provision against loss on transactions made on account.

## Market

### The American Heritage Dictionary

- n.
1. A public gathering held at regular intervals for buying and selling merchandise.
  2. An open place or building where goods are offered for sale. Also called "marketplace."
  3. A store or shop that sells a particular type of merchandise.
  4.
    - a. The business of buying and selling of a specified commodity.
    - b. Market price (see entry)
    - c. The buying or selling of a particular type of product, as a business carried on by a specific group of persons or persons living in a particular area or involved with a specific institution; the college market.
  5. The opportunity to buy or sell; demand for availability of merchandise.
  6.
    - a. An exchange for buying and selling stock or commodities: securities sold on the New York market.
    - b. The entire enterprise of buying and selling commodities and securities.

### **Harvey Cox - "The Market as God" - The Atlantic Monthly - March 1999**

Since the earliest stages of human history, of course, there have been bazaars, rialtos, and trading posts - all markets. But The Market was never God, because there were other centers of value and meaning, other "gods." The Market operated within a plethora of other institutions that restrained it. As Karl Polanyi has demonstrated in his classic work *The Great Transformation*, only in the past two centuries has The Market risen above these demigods and chthonic [pertaining to the gods and spirits of the underworld] spirits to become today's First Cause.

Initially the Market's rise to Olympic supremacy replicated the gradual ascent of Zeus above all the other divinities of the ancient Greek pantheon, an ascent that was never quite secure. Zeus, it will be recalled, had to keep storming down from Olympus to quell this or that threat to his sovereignty. Recently, however, The Market is becoming more like the Yahweh of the Old Testament - not just one superior deity contending with others

but the Supreme Deity, the only true God, whose reign must now be universally accepted and who allows for no rivals.

Divine *omnipotence* means the capacity to define what is real. It is the power to make something out of nothing and nothing out of something. The willed-but-not-yet-achieved omnipotence of The Market means that there is no conceivable limit to its inexorable ability to convert creation into commodities. But again, this is hardly a new idea, though it has a new twist. In Catholic theology, through what is called "transubstantiation," ordinary bread and wine become vehicles of the holy. In the mass of The Market a reverse process occurs. Things that have been held sacred transmute into interchangeable items for sale. Land is a good example. For millennia it has held various meanings, many of them numinous. It has been Mother Earth, ancestral resting place, holy mountain, enchanted forest, tribal homeland, aesthetic inspiration, sacred turf, and much more. But when The Market's Sanctus bell rings and the elements are elevated, all these complex meanings of land melt into one: real estate. At the right price no land is not for sale, and this includes everything from burial grounds to the cove of the local fertility sprite. This radical desacralization dramatically alters the human relationship to land; the same happens with water, air, space and soon (it is predicted) the heavenly bodies..

Discovering the theology of The Market made me begin to think in a different way about the conflict among religions. Violence between Catholics and Protestants in Ulster or Hindus and Muslims in India often dominates the headlines. But I have come to wonder whether the real clash of religions (or even civilizations) may be going unnoticed. I am beginning to think that for all the religions of the world, however they may differ from one another, the religion of The Market has become the most formidable rival, the more so because it is rarely recognized as a religion. The traditional religions and the religion of the global market, as we have seen, hold radically different views of nature. In Christianity and Judaism, for example, "the earth is the Lord's and the fullness thereof, the world and all that dwell therein." The Creator appoints human beings as stewards and gardeners but, as it were, retains title to the earth. Other faiths have similar ideas. In the Market religion, however, human beings, more particularly those with money, own anything they buy and - within certain limits - can dispose of anything as they choose. Other contradictions can be seen in ideas about the human body, the nature of human community, and the purpose of

life. The older religions encourage archaic attachments to particular places. But in The Market's eyes all places are interchangeable. The Market prefers a homogenized world culture with as few inconvenient particularities as possible.

**His Holiness Shantanand Saraswati - Good Company, p. 83**

When people go to the village market from distant places or from mountaintops, they hear the hustle and bustle of the market din, which gives them an approximate guide to the whereabouts and direction and distance to the market place, which they cannot see. They know that it is there. Having completed the journey, they join in the market affairs and become part of the market din. They forget that they and the din are not the same. Similarly, most men become part of this transitory material world and forget the identity of the detached observer for whose pleasure and benefit the market and the world were initially created.

## **Market Economy/System**

### **Bronfenbrenner, et al. - Economics, p.G-19**

An economic system in which the interaction of buyers and sellers is the main mechanism for making economic choices.

### **Robert L. Heilbroner - The Worldly Philosophers, p.18-21,27**

It is only because man is a socially cooperative creature that he has succeeded in perpetuating himself at all...Man is not an ant, conveniently equipped with an inborn pattern of social instincts. On the contrary, he seems to be strongly endowed with a self-centered nature. If his relatively weak physique forces him to seek cooperation, his inner drives constantly threaten to disrupt his social working partnerships.

In primitive society, the struggle between self-centeredness and cooperation is taken care of by the environment; when the specter of starvation can look a community in the face - as with the Eskimos - the pure need to secure its own existence pushes society to the cooperative completion of its daily labors. Under less stringent conditions, anthropologists tell us, men and women perform their regular tasks under the powerful guidance of universally accepted norms of kinship and reciprocity: in her marvelous book on the African Bushmen, Elizabeth Marshall Thomas describes how a gemsbok is divided among relatives and relatives' relatives, until in the end "no person eats more than any other." But in an advanced community this tangible pressure of the environment, or this web of social obligations, is lacking.

When men and women no longer work shoulder to shoulder in tasks directly related to survival - indeed when two-thirds of the population never touches the earth, enters the mines, builds with its hands, or even enters a factory - or when the claims of kinship have all but disappeared, the perpetuation of the human animal becomes a remarkable social feat.

...Over the centuries man has found only three ways of guarding against this calamity.

He has ensured his continuity by organizing his society around tradition...Or society can solve the problem differently. It can use the whip of authoritarian rule to see that its tasks get done...

For the economists waited upon the invention of a third solution

to the problem of survival. They waited upon the development of an astonishing arrangement in which society assured its own continuance by allowing each individual to do exactly as he saw fit - provided he followed a central guiding rule. The arrangement was called the "market system," and the rule was deceptively simple: each should do what was to his best monetary advantage. In the market system the lure of gain, not the pull of tradition or the whip of authority, steered everyone to his (or her) task. And yet, although each was free to go wherever his acquisitive nose directed him, the interplay of one person against another resulted in the necessary tasks of society getting done...

But markets, whether they be exchanges between primitive tribes where objects are casually dropped on the ground or the exciting traveling fairs of the Middle Ages, are not the same as the market system. For the market system is not just a means of exchanging goods; *it is a mechanism for sustaining and maintaining an entire society.*

**Robert L. Heilbroner & Lester Thurow - Economics Explained, pp. 14-17**

But in all these [pre-capitalist] societies, perhaps no barrier was more difficult to breach than the hold of tradition and command as the means of organizing economic life, and the need to substitute a market system in their place.

What is a market system? Essentially, it is one in which economic activities are left to men and women freely responding to the opportunities and discouragement of the marketplace, not to the established routines of tradition or the dictates of someone's command...By way of contrast again, land in most pre-capitalist societies was no more for sale than are the counties of our states.

Finally, a market in capital means that there is a regular flow of wealth into production - a flow of savings and investment - organized through banks and other financial companies, where borrowers pay interest as the reward for having the use of the wealth of the lenders. There was nothing like this before capitalism, except in the very small and disreputable capital markets personified in the despised moneylender.

The services of labor, land, and capital that are hired or fired in a market society are called the *factors of production*, and a

great deal of economics is about how the market combines their essential contributions to production. Because they are essential, a question must be answered. How were the factors of production put to use prior to the market system? The answer comes as something of a shock, but it tells us a great deal.

*There were no factors of production before capitalism.* Of course, human labor, nature's gift of land and natural resources, and the artifacts of society have always existed. But labor, land, and capital were not commodities for sale. Labor was performed as part of the social duties of serfs or slaves, who were not paid for doing their work. Indeed, the serf paid fees to his lord for the use of the lord's equipment, and never expected to be remunerated when he turned over a portion of his crop as the lord's due. So, too, land was regarded as the basis for military power or civil administration, just as a county or state is regarded today - not as real estate to be bought and sold. And capital was thought of as treasure or as the necessary equipment of an artisan, not as an abstract sum of wealth with a market value. The idea of liquid, fluid capital would have been as strange in medieval life as would be the thought today of stocks and bonds as heirlooms never to be sold..

We can only touch on that long, tortuous, and sometimes bloody process here. In England the process bore with particular severity on the peasants who were expelled from their lands through the enclosure of common grazing lands. This enclosure took place to make private pasturage for the lord's sheep, whose wool had become a profitable commodity. As late as 1820 the Duchess of Sutherland evicted 15,000 tenants from 794,000 acres, replacing them with 131,000 sheep. The tenants, deprived of their traditional access to the fields, drifted into the towns, where they were forced to sell their services as a factor of production: labor...Meanwhile, the upstart merchants lost no time in acquiring lands that they soon came to regard not as ancestral estates but as potential capital...The Market system was thus the cause of unrest, insecurity, and individual suffering, just as it was also the cause of progress, opportunity, and fulfillment. In this contest between the costs and benefits of economic freedom lies a theme that is still a crucial issue for capitalism.

**Clarence B. Carson - Basic Economics, pp. 66-9**

Let it be granted, however, that the market has for now assumed a dominant role in the United States (and is speedily doing so in the rest of the world). Grant, too that there are many



advantages to specialization and the division of labor, particularly in the quality and quantity of merchandise available. Many goods that we now have available could hardly be had without these developments. It is important to emphasize, however, that dependence on the market has its drawbacks as well, as do the division of labor and specialization. The market is a hard taskmaster. Those who depend entirely upon it are subject to the vagaries of the market: changing consumer tastes, styles, fashions, and the fickleness of human wants. People trading in the market care not a whit how hard the workman labored to produce the articles offered for sale there, with what sacrifice the producer suffered in saving to buy the tools to produce the goods, and so on. The consumer does not concern himself in the least with who will be put out of work by his decision not to buy some good. Speeches such as mothers often give their children about how they have slaved over hot stoves to cook the meal they are resisting eating would be pointless and out of place in the market. The customer in the market is almost wholly bent on supplying his wants without regard to anything else. Indeed, the rigors and uncertainties of the market are such that those who depend upon it often devote much thought to ways of evading the hardest features of their taskmaster.

The above is not an attempt to discredit the market but rather to suggest that we live in a time when the advantages of the market have been oversold. In any case, it will help to understand the market to understand something of what preceded it. Also, it certainly needs to be emphasized that total dependence on the market has been both rare and is relatively new in history, and that it leaves people exposed in new ways to maneuverings of which they know little, if anything.

Most people throughout most of history have probably been farmers, or at least lived on farms. They have been gardeners, shepherds, growers of grain, keepers of vineyards, and have often produced a variety of goods on them. It is easy enough to lose sight of this fact, because most histories focus on civilization and its rise and fall here and there, and civilization is usually centered in cities. Thus, cities tend to get the lion's share of attention. But from what we can surmise, farming has persisted and been a major occupation throughout history.

In the United States in 1800, a few years after the adoption of the Constitution, it is estimated that something on the order of 80-90 per cent of the population lived on farms. Whatever the

actual percentage, there were only a few cities of any size, and these were port cities. Virginia, which was the most populous of the states, had no city worthy of the name, nor did North Carolina, Delaware, or New Jersey. Farming continued to be the dominant occupation for most of the 19th century, though from the middle of the century onward, cities, especially in the Northeast and Midwest grew rapidly, as did manufacturing and other industrial pursuits. These relationships are important because the best place to examine the family economy and contrast it with the market economy is on the family farm.

Virtually all farms in the 19th century were either family owned or occupied, but not all of them would be denominated family farms. The major exception was the large farm or plantation in the South, mostly, or wholly, farmed by slaves. While these were only a relatively small proportion of the farms, in some areas they encompassed much of the most fertile land and were economically important. Other than plantations, most farms were owned or occupied by those families who farmed them, in the South as well as elsewhere. Many of these farms were more or less subsistence farms, that is, they produced most of the goods consumed on them, both of food and clothing. Most farms produced some goods for the market, or sold some of their surplus goods on the market, and most farmers bought some goods on the market, for example, pepper and other spices, salt, tea (if they consumed any), perhaps an occasional bolt of fancy printed cloth, trinkets, gunpowder, and the like. But many such farms were not so much dependent on the market as found it convenient or helpful as a supplement from time to time.

More of less self-sufficient farms could be found through the 4th decade of the 20th century, but they were becoming scarcer and scarcer. These farms not only might produce some crop for the market, such as wheat, corn, cotton, tobacco, meat, or dairy products, but they also produced a great variety of goods besides these for home consumption. They had large gardens for producing vegetables, kept cattle, fowls, such as chickens, geese, and turkeys, hogs, and had fruit trees and vineyards for apples, peaches, cherries, grapes, and many other goods in season. Many did have sheep to provide the wool for cloth. Parents, especially the father, were apt to be jacks of many trades, carpenters, wheelrights, butchers, shearers, plowmen, teamsters, furniture makers, blacksmiths, and doers of every sort of work on the farm. They were the opposite of specialists. Women not only cooked and kept house but also might help with the farm work,

garden, wash by hand, make soap, dry and can goods, cure meat, spin, weave, sew, quilt, and otherwise serve as manufacturers and finishers of goods for themselves and their families.

Such a life was as near to the American ideal as one could locate for much of the 19th century for many boys and girls. For a boy, his dream was to have a farm, a place of his own, to be beholden (to owe) no man, to be a man of his own, to learn the many skills necessary to such a life, and not to be greatly dependent on the market. It was an ideal of independence. It is the best example that the present writer can call up of families producing to supply most, if not all, of their wants.

Were there disadvantages in such a life? Of course there were. To succeed, the farmer had to be highly disciplined, work long hours, do his planting when conditions were right, harvest when crops were ripe, plan ahead so as to have seed, calves, pigs, chick, and all the sorts of little animals to replace those that were butchered or had grown old. Farmers are ever more or less at the mercy of the weather - drought, floods, freezes, frost, high winds, hail, or anything that may damage crops or animals or trees. An ambitious man might be drawn to produce more and more for the market, go into debt to provide for equipment, better seeds, better breeds of animals, and so on. If he became dependent on the market, he was at the mercy of price fluctuations for his produce. If he went into debt, he might lose his land (many did) and have to become a renter or wage worker. If he became a renter, he would probably be pressed into producing for the market by the landlord, and become dependent on it even more than before.

The universal disadvantage of self-sufficient farms, however, was that the farmer was limited to his own skills and what could be produced well on his land for most of the goods he had. General dependency on the market has no doubt developed because of the great variety of goods that are available in the market.

**Market price**

**The American Heritage Dictionary**

The prevailing price at which merchandise, securities, or commodities are sold. Also called "market".

**Market value****American Heritage Dictionary**

The amount that a seller may expect to obtain for merchandise, services, or securities in the open market.

## **Medium**

### **American Heritage Dictionary**

n.2. An intervening substance through which something is transmitted or carried on, such as an agency for transmitting energy.

3. An agency, such as a person, object, or quality, by means of which something is accomplished, conveyed, or transferred: "The principal use of money is as a medium of exchange." (Melville Ullmer).

**Medium of exchange**

**American Heritage Dictionary**

Anything that is commonly used in a specific area or among a certain group of people as money.

**Bronfenbrenner, et al. - Economics, p.G20**

A function of money that enables people to trade with one another more easily, since they do not need to match their specific wants with those of other people.

## **Mercantile**

### **American Heritage Dictionary**

- adj. 1. Of or pertaining to merchants or trade.  
2. Of or pertaining to mercantilism.



## **Mercantilism**

### **American Heritage Dictionary**

n. The theory and system of political economy prevailing in Europe after the decline of feudalism, based on national policies of accumulating bullion, establishing colonies and a merchant marine, and developing industry and mining to attain a favorable balance of trade.

### **Bronfenbrenner, et al. - Economics, p.G20**

An eighteenth-century school of economic thought that emphasized the achievement of economic power as a basis for military power. It emphasized high population and employment, low interest rates, accumulation of money, and strict regulation of trade, particularly international trade.

### **The Columbia Encyclopedia**

Economic system of the major trading nations during the 16th, 17th, and 18th century, based on the premise that national wealth and power were best served by increasing exports and collecting precious metals in return. It superseded the medieval feudal organization in Western Europe, especially in Holland, France, and England.

The period 1500-1800 was one of religious and commercial wars, and large revenues were needed to maintain armies and pay the growing costs of civil government. Mercantilist nations were impressed by the fact that the precious metals, especially gold, were in universal demand as the ready means of obtaining other commodities; hence they tended to identify money with wealth. As the best means of acquiring bullion, foreign trade was favored above domestic trade, and manufacturing or processing, which provided the goods for foreign trade, was favored at the expense of the extractive industries (e.g., agriculture).

State action, an essential feature of the mercantile system, was used to accomplish its purposes. Under a mercantilist policy a nation sought to sell more than it bought so as to accumulate bullion. Besides bullion, raw materials for domestic manufacturers were also sought, and duties were levied on the importation of such goods in order to provide revenue for the government. The state exercised much control over economic life, chiefly through corporations and trading companies. Production was carefully regulated with the object of securing goods of high quality and cost, thus enabling the nation to hold its place in

foreign markets. Treaties were made to obtain exclusive trading privileges, and the commerce of colonies was exploited for the benefit of the mother country. In England mercantilist policies were effective in creating a skilled industrial population and a large shipping industry. Through a series of navigation acts England finally destroyed the commerce of Holland, its chief rival.

As the classical economists were later to point out, however, even a successful mercantilist policy was not likely to be beneficial, because it produced an oversupply of money and, with it, serious inflation. Mercantilist ideas did not decline until the coming of the industrial revolution and of laissez faire. Henry VIII, Elizabeth I, and Oliver Cromwell conformed their policies to mercantilism. In France its chief exponent was Jean Baptiste Colbert.

### **Microsoft (R) Encarta - "Capitalism"**

#### Mercantilism

From the 15th to the 18th century, when the modern nation-state was being born, capitalism not only took on a commercial flavor but also developed in another special direction known as mercantilism. This peculiar form of capitalism attained its highest level in England.

The mercantilist system rested on private property and the use of markets for the basic organization of economic activity. Unlike the capitalism of Adam Smith, the fundamental focus of mercantilism was on the self-interest of the sovereign (that is, the state), and not the self-interest of the individual owners of economic resources. In the mercantilist era, the basic purpose of economic policy was to strengthen the national state and to further its aims. To this end the government exercised much control over production, exchange, and consumption.

The most distinctive feature of mercantilism was the state's preoccupation with accumulating national wealth in the form of gold and silver. Because most nations did not have a natural abundance of such precious metals, the best way to acquire them was through trade. This meant striving for a favorable trade balance - that is, a surplus of exports over imports. Foreign states would then have to pay for imports in gold or silver. Mercantilist states also favored maintaining low wages, believing that this would discourage imports, contribute to the export surplus, and thus swell the influx of gold.

More sophisticated proponents of the mercantilist doctrine understood that the real wealth of a nation was not its hoard of precious metals, but its ability to produce. They correctly saw that the influx of gold and silver from a favorable trade balance would serve as a stimulus to economic activity generally, thus enabling the state to levy taxes and gain more revenue. Only a few states that practiced mercantilism, however, understood this principle.

## **Merchant**

### **American Heritage Dictionary**

- n. 1. A person whose occupation is the wholesale purchase and retail sale of goods for profit.
2. A person who runs a retail business; shopkeeper.
- adj. 1. Of or pertaining to a merchant, merchandise, or commercial trade; dealing in commerce: a merchant guild.
2. Of or pertaining to the merchant marine (A nation's ships that are engaged in commerce and the personnel of such ships).

## **Microeconomics**

### **P.J. O'Rourke - Eat the Rich, p.108**

Microeconomics concerns things that economists are specifically wrong about, while macroeconomics concerns things economists are wrong about generally.

### **John Duffy, Ph.D. - Cliffs Quick Review Economics, p.2**

The prefix *micro* means small, indicating that microeconomics is concerned with the study of the market system on a small scale. Microeconomics looks at the *individual markets* that make up the market system and is concerned with the choices made by small economic units such as individual consumers, individual firms, or individual government agencies.

### **Bronfenbrenner, et al. - Economics, p.3**

Microeconomics focuses on the behavior of decision makers in the economy. A person in his or her role as a consumer or a worker is a decision maker. Business firms and governments are decision makers too. Microeconomics centers on how the decision makers choose among alternatives and what the results of these choices are.

### **Microsoft (R) Encarta - "Economics"**

Standard economics can be divided into two major fields. The first, price theory or microeconomics, explains how the interplay of supply and demand in competitive markets creates a multitude of individual prices, wage rates, profit margins, and rental changes. Microeconomics assumes that people behave rationally. Consumers try to spend their income in ways that give them as much pleasure as possible. As economists say, they maximize utility. For their part, entrepreneurs seek as much profit as they can extract from their operations.

## **Money**

**Whatever in any time and place is used as the common medium of exchange and the common measure of value is money in that time and place.**

### **The American Heritage Dictionary**

- n.
1. A commodity such as gold or silver that is legally established as an exchangeable equivalent of all other commodities and is used as a measure of their comparative values on the market.
  2. The official currency, coins and negotiable paper notes, issued by a government.
  3. Assets and property that may be converted into actual currency.
  4. Pecuniary profit or loss: He made money on the sale.
  5. Any unspecified amount of currency: money for groceries.

### **Bronfenbrenner, et al. - Economics, P.G-21**

Anything that is generally accepted in an economy as a medium of exchange, a unit of account, a store of purchasing power, and a standard for deferred payment.

### **Henry George - The Science of Political Economy, pp.493-4**

What then shall we say that money is?

Evidently the essential quality of money is not in its form or substance, but in its use.

Its use being not that of being consumed, but of being continually exchanged, it participates in and facilitates other exchanges as a medium or flux...This use comes from a common or usual consent or disposition to take it in exchange, not as representing or promising anything else, but as completing the exchange.

The only question any one asks himself in taking money in exchange is whether he can, in the same way, pass it on in exchange. If there is no doubt of that, he will take it; for the only use he has for money is to pass it on in exchange. If he has doubt of that, he will take it only at a discount proportioned to the doubt, or not take it at all.

What then makes anything money is the common consent or disposition to accept it as the common medium of exchange. If a thing has this essential quality in any place and time, it is money in that place and time, no matter what other quality it may lack. If a thing lacks this essential quality in any place and time, it is not money in that place and time, no matter what other quality it may have.

To define money:

*Whatever in any time and place is used as the common medium of exchange is money in that time and place.*

There is no universal money. While the use of money is almost as universal as the use of languages, and it everywhere follows general laws as does the use of languages, yet as we find language differing in time and place, so do we find money differing. In fact, as we shall see, money is in one of its functions a kind of language - the language of value.

**Jacob Needleman - Money and the Meaning of Life, pp.40,41,43**

One of the commonest views of money today is that it is a form of energy. Certainly, money is the main, moving force of human life at the present stage of civilization. Our relationships to nature, to health and illness, to education, to art, to social justice, are all increasingly permeated by the money factor...We do not create the art of the Renaissance or medieval Europe; we do not worship the state as did ancient Rome; we do not build as did the Egyptians. But neither the Egyptians, nor the medieval Europeans, nor the peoples of the Renaissance - nor, for that matter, the cultures of ancient China, Greece, or Persia, nor the inhabitants of the North American continent before the white man - none of these created the immense global mechanism of finance whose penetration into every aspect of human life has been the chief feature of our contemporary culture.... The thesis of this book is that the chief representative of "life on earth", the world of birth and death, the world we are born to, but not necessarily destined to die in - that chief representation is now money. Our task, then, is to search for contact with something far greater than we can imagine, while participating rightly and truly in the forces of life on earth.

**Jacob Needleman - Money and the Meaning of Life, pp.77-8**

According to [Max] Weber [The Protestant Ethic and the Spirit of Capitalism], the corruption of monasticism and other

corresponding developments within the Catholic Church broke down the otherworldly ideals of the Church in the minds of many serious thinkers. The way was open to seek salvation in the very midst of worldly life. Through the teachings of John Calvin (1509-1564), and in the whole vast context of the Protestant Reformation that was moving through Europe, the goal of salvation was now intimately related to action in the world, not in a monastery. And now the "world" was the city - in the beginning of its modern form. The city in which now all the gold and silver of the New World, all the forces of the scientific-industrial revolution - material wealth, goods, inventions - were gathering.

It was in the cities - Amsterdam, London, Venice - that processes of material exchange began developing to accommodate the new wealth, the new powers of technology - that is to say the new instruments of dealing with the outer world of nature and society. Within this crucible of forces, there emerged many innovations in the sphere of financial exchange - innovations which we now recognize as the origins of modern banking, including the widespread use of paper money and promissory notes representing money. The whole meaning and function of credit was undergoing transformation: a loan was made not merely to answer need in times of hardship, but to satisfy desires; it was an instrument to help in the functioning of business in general. And money was no longer a thing, valuable in itself - or at least substantially physical. Money was a promise, a representation - almost a thought. Money itself became a loan, a promissory note, while the thing it represented was elsewhere. Money became one step more removed from reality - whatever reality was. And what reality was became ever more a question.

Because money became a representation of a representation - this is the meaning of credit in our world - it was able to move more freely. More freely because more on the surface of life. From being a great ship following the ocean currents, money became a light vessel responsive to the swifter-moving flows closer to the surface. Material life skimmed more quickly and more "efficiently". Money and wealth became more and more something in movement.

**Jacob Needleman - Money and the Meaning of Life, pp.114-15**

Money, I'm convinced, is an inspired invention by people who understood the play of forces in human life. There must have come a moment when something was needed that could facilitate



man's material life in an expanding society. It must have been created as a means of recognizing that human beings have individual property rights, but at the same time that no human being or family is self-sufficient. In other words, money was created - by the keepers of the sacred teachings underlying all human societies - to maintain a relationship between man's spiritual needs and his material needs. What I'm trying to say is that money is intrinsically a principle of reconciliation, of the harmonization of disparate elements. No wonder that in ancient Greece, Hermes was both the god of commerce and the god of communication between man and the immortals, the god of the borders, the god of exchanges.

**Jacob Needleman - Money and the Meaning of Life, pp.70,72, 278-9**

Our challenge is to bring money back to the place where it belongs in human life....It is solely a question of restoring money to its proper place in human life. And that place is secondary. Our aim is to understand what it means to make money secondary in our lives. As a principal representative of the lower nature, the outward, physical body of man, money must become secondary, as the body must become secondary....Therefore, our only realistic aim can be the attainment of this power of discrimination, this unique quality of self-knowledge and inner freedom. And if money is to be secondary in our lives, it can only mean that money serve the aim of self-knowledge.

Here, at last, we have found our question. Here we find the key to the place that money can - and must - occupy in our lives. Money must become an instrument of the search for self-knowledge. Money must become a tool in the only enterprise worth undertaking for any modern man or woman seriously wishing to find the meaning of their lives: we must use money in order to study ourselves as we are and as we can become...

We come to the conclusion that money is so central in our lives because it now embodies most clearly the central problem of man's life on earth - the dominance of the principle of personal gain. The great teachers of the world have always spoken of this as man's main weakness. The ancient and timeless doctrines tell us that we human beings are meant to serve something greater than ourselves - in that alone consists our happiness and our well-being on earth and beyond the earth. But through some profound misperception or inner weakness - what the East call illusion, or what the West calls sin - mankind continually lives to favor only the bio-social aspects of his nature. He has been given ideas

that convince him he is meant for something greater, but in fact he lives in opposition to that conviction. Man is not aware that the principle of personal gain is much subtler, much more powerful than he imagines. He is not aware that it concerns far more than outer behavior alone. He is not aware that what he wrongly identifies as his ruling principle, his ordinary mind, is not the real instrument of service to the Higher.

**Charles Avilla, Ownership Early Christian Teaching, p.144**

"Money is called *chremata* (from *chraomai*, 'I use') so that we may use it, and not that it may use us. Therefore possessions are so called that we may possess them, and not they possess us. Why do you invert the order?" [Saint Augustine]

## **Money Supply**

**Bob Woodward - Maestro [Glossary], p.394, 142-3**

Technically, the amount of money in the economy - including currency, bank deposits and money market accounts. As people moved large amounts of money into mutual funds in the early 1990's, the money supply became almost impossible to measure..

Greenspan didn't disagree with the formula, but the key variable, the velocity - or number of times money changed hands - could no longer be measured accurately for a variety of reasons that were accepted by most economists. That was why the Fed was essentially just setting the fed funds rate, not attempting to target the money supply directly. Greenspan reiterated his view to Darman that the Fed had been unable to control or even accurately measure the money supply for years. The notion that it was possible was outdated.

## Monopoly

### American Heritage Dictionary

- n.
1. **Economics.** Exclusive control by one group of the means of producing or selling a commodity or service. Compare *oligopoly*.
  2. **Law.** A right granted by a government, giving exclusive control over a specified commercial activity to a single party.
  - 3.a. A company or group having exclusive control over a commercial activity.
  - 3.b. A commodity or service controlled exclusively by one company or group.
  4. Exclusive possession of or control over anything: "*the lexicographer had no monopoly of the problem of meaning*" (William V. Quine).

**Synonyms.** **monopoly, corner, pool, trust, cartel, syndicate, combination, combine.** **Monopoly** is a general term applicable to a condition or organization and the service or commodity involved; in none of these senses is illegality necessarily implied. **Corner** denotes only a condition. It is a short-term speculative monopoly created by individuals (not necessarily illegally) to control a market. **Pool** and **trust** denote inter-corporate organizations (now illegal) designed to restrict competition within specific areas and industries over a long period. **Cartel** usually denotes an international pool or trust; in Europe the term often applies to a pool or trust operating within a single country. **Syndicate** pertains to any group engaged in a short-term commercial venture involving large capital; monopoly is no longer usually implied. **Combination** denotes any sizable, relatively permanent inter-corporate association; the term no longer indicates monopoly unless so qualified, as in **combination in restraint of trade.** **Combine** is used informally for a combination, and generally implies monopolistic practice for private gain.

### Henry George - Social Problems, pp.188-9

Businesses that are in their nature monopolies are properly functions of the state. The state must control or assume them, in self-defense, and for the protection of the equal rights of citizens. But beyond this, the field in which the state may operate beneficially as the executive of the great cooperative association, into which it is the tendency of true civilization to blend society, will widen with the improvement of government

and the growth of public spirit.

## **Moral Philosophy**

### **American Heritage Dictionary**

The science of morality, **ethics** (see).

### **Ethics**

- pl.n.1.a. The study of the general nature of morals and of the specific moral choice to be made by the individual in his relationship with others; the philosophy of morals. Also called "moral philosophy."
- 1.b. The moral sciences as a whole, including moral philosophy and customary, civil, and religious law.
2. The rules or standards governing the conduct of the members of a profession.
  3. Any set of moral principles or values.
  4. The moral quality of a course of action; fitness; propriety.

### **Kenneth Lux - Adam Smith's Mistake, p.14**

Moral philosophy as an academic discipline doesn't exist today. In [Adam] Smith's day it was a very broad field consisting of four areas: natural theology, ethics, jurisprudence, and political economy. If we were to try to put a label in modern terms on what was then moral philosophy we would be hard pressed to do so. Perhaps the most accurate designation would be to equate it with the humanities, very broadly conceived. What was then evidently a coherent body of thought, today we would see as consisting of the very separate areas of theology; ethics, which is now part of philosophy; jurisprudence, which is now law; and finally political economy, which today we know simply as economics and regard as a social science. One thing this tells us is that in Smith's day there was no field such as the one we now call economics. In fact, this field owes its origin to Adam Smith; he is thus very rightly known as the father of economics.

## **Mortgage**

### **American Heritage Dictionary**

- n.
1. A temporary and conditional pledge of property to a creditor as security against a debt.
  2. A contract or deed specifying the terms of such a pledge.
  3. The claim that the mortgagee or creditor has upon property pledged in this manner.

- American Heritage Dictionary

## **Nation**

### **American Heritage Dictionary**

- n.
1. A people, usually the inhabitants of a specific territory, who share common customs, origins, history, and frequently language or related languages.
  2. An aggregation of people organized under a single government; a country.
  3. The government of a sovereign state: *The Western nations have reacted favorably to the proposal.*
  - 4.a. A federation or tribe, especially one composed of North American Indians.
  - 4.b. The territory occupied by such a federation or tribe.

**Synonyms:** nation, state, commonwealth, country, land, people, race, folk.

**Nation** primarily signifies a political body rather than a physical territory - the citizens united under one independent government, without close regard for their origins; secondarily it denoted institutional ties, a community of economic and cultural interests.

**State** even more specifically indicates political (governmental) organization, generally on a sovereign basis and pertaining to a well-defined area.

**Commonwealth** is also used in a variety of political senses; to a much lesser degree it retains an earlier sense of union based on mutual interests.

**Country**, in strict usage, is a geographical term signifying the territory of one nation, but it is often used in the extended sense of **nation**.

**Land**, specifically, is a somewhat less precise geographical term for an area inhabited by one people, but not necessarily a single political unit.

**People**, in this context, signifies a group united over a long period by common cultural and social ties, although not necessarily by racial and national bonds.

**Race** refers to those recognizable physical traits, stemming from common ancestry, that succeeding generations have in common.

**Folk**, somewhat narrower than **people**, has specific reference to distinctive cultural characteristics of long standing.

### **Leon MacLaren - Lectures Volume 3, pp.214-15**

Things live on different dimensions, and what is good on one



dimension is what is good for the higher dimension. Now when you forget that, then the nation goes all wrong, it becomes selfish, turns in on itself, becomes useless in fact. And if we were called upon to judge what is good for the British nation, it would be what is good for humanity is good for the British nation. That is a totally different test, isn't it? Take a very simple thing: supposing a family is loose, behaves any old how, no morals, no law, no order, is that good for the nation? Everybody knows it is not. And if an individual member of the family is loose, immoral, illegal, and everything else, is that good for the family? Everybody knows it is not. So when you judge what is good for the individual member of the family, you ask: "What is good for the family?" Everybody has forgotten this. Now, likewise, if you ask: "What is good for the nation?" then the question is "What is good for humanity?" And if nations go careering down their own selfish way, that is not good for humanity. And so when a nation forgets any responsibility whatever, and is seeking its own advantage and trying to avoid its disadvantage, it becomes a useless entity, and of course, sooner or later will suffer for that. It is like this all the way, in broad terms, that is how it is.

## **Natural Law**

**The eternal unchanging laws according to which the universe and everything in it, including humanity, are arranged, grow, live and die. They are the laws with which the Supreme Self has imbued creation.**

### **The New Columbia Encyclopedia**

Theory that some laws are basic and fundamental to human nature and are discoverable to human reason without reference to specific legislative enactment or judicial decisions. Natural law is opposed to positive law, which is man-made, conditioned by history, and subject to continuous change. The concept of natural law originated with the Greeks and received its most important formulation in Stoicism. The Stoics believed that the fundamental moral principles that underlay all the legal systems of different nations were reducible to the dictates of natural law. This idea became particularly important in Roman legal theory, which eventually came to recognize a common code regulating the conduct of all peoples and existing alongside the individual codes of specific places and times. Christian philosophers such as St. Thomas Aquinas perpetuated this idea, asserting that natural law was common to all peoples - Christian and non-Christian alike - while adding that revealed law gave Christians an additional guide for their actions. In modern times, the theory of natural law became the chief basis for the development by Hugo Grotius of the theory of international law. In the 17th century, such philosophers as Spinoza and G.W. von Leibniz interpreted natural law as the basis of ethics and morality; in the 18th century the teachings of Jean Jacques Rousseau, especially as interpreted during the French Revolution, made natural law a basis for democratic and egalitarian principles. The influence of natural law theory declined greatly in the 19th century under the impact of Positivism, Empiricism, and Materialism. In the 20th century, such thinkers as Jacques Maritain saw in natural law a necessary intellectual opposition to totalitarian theories.

### **Microsoft (R) Encarta - "Natural Law"**

**Natural Law**, in ethical philosophy, theology, law, and social theory, a set of principles, based on what are assumed to be the permanent characteristics of human nature, that can serve as a standard for evaluating conduct and civil laws. It is considered

fundamentally unchanging and universally applicable. Because of the ambiguity of the word *nature*, the meaning of *natural* varies. Thus, natural law may be considered an ideal to which humanity aspires or a general fact, the way human beings usually act. Natural law is contrasted with positive law, the enactment of civil society..

In his Summa Theologiae (Summary Treatise of Theology, 1265-73) Aquinas called the rational guidance of creation by God the 'Eternal Law.' The Eternal Law gives all beings the inclination to those actions and aims that are proper to them. Rational creatures, by directing their own actions and guiding the actions of others, share in divine reason itself. 'This participation in the Eternal Law by rational creature is called the Natural Law.' Its dictates correspond to the basic inclinations of human nature. Thus, according to Aquinas, it is possible to distinguish good from evil by the natural light of reason.

### **Modern Theories**

The Dutch jurist Hugo Grotius is considered the founder of the modern theory of natural law. His break with Scholasticism is in methodology rather than content. His definition of natural law as that body of rules which can be discovered by the use of reason is traditional, but in raising the hypothetical argument that his law would have validity even if there were no God or if the affairs of human being were of no concern to God, he effected a divorce from theological presuppositions and prepared the way for the purely rationalistic theories of the 17th and 18th centuries. A second innovation of Grotius was to view this law as deductive and independent of experience: 'Just as the mathematicians treat their figures as abstracted from bodies, so in treating law I have withdrawn my mind from every particular fact.' (**De Iure Belle ac Pacis**; On the Law of War and Peace, 1625).

### **William Blackstone - Commentaries on the Laws of England, Book One II. 2-3**

Man, considered as a creature, must necessarily be subject to the laws of his creator, for he is entirely a dependent being. A being, independent of any other, has no rule to pursue, but such as he prescribes to himself; but a state of dependence will inevitably oblige the inferior to take the will of him, on whom he depends, as the rule of his conduct: not indeed in every particular, but in all those points wherein his dependence consists. This principle therefore has more or less extent and

effect, in proportion as the superiority of the one and the dependence of the other is greater or less, absolute or limited. And consequently, as man depends absolutely upon his maker for every thing, it is necessary that he should in all points conform to his maker's will.

This will of his maker is called the law of nature. For as God, when he created matter, and endued it with a principle of mobility, established certain rules for the perpetual direction of that motion; so, when he created man, and endued him with freewill to conduct himself in all parts of life, he laid down certain immutable laws of human nature, whereby that freewill is in some degree regulated and restrained, and gave him also the faculty of reason to discover the purport of those laws.

Considering the creator only as a being of infinite power, he was able unquestionably to have prescribed whatever laws he pleased to his creature, man, however unjust or severe. But as he is also a being of infinite wisdom, he has laid down only such laws as were founded in those relations of justice, that existed in the nature of things antecedent to any positive precept. These are the eternal, immutable laws of good and evil, to which the creator himself in all his dispensations conforms; and which he has enabled human reason to discover, so far as they are necessary for the conduct of human actions. Such among others are these principles: that we should live honestly, should hurt nobody, and should render to every one his due; to which three general precepts Justinian has reduced the whole doctrine of law.

But if the discovery of these first principles of the law of nature depended only upon the due exertion of right reason, and could not otherwise be obtained than by a chain of metaphysical disquisitions, mankind would have wanted some inducement to have quickened their inquiries, and the greater part of the world would have rested content in mental indolence, and ignorance its inseparable companion. As therefore the creator is a being, not only of infinite power, and wisdom, but also of infinite goodness, he has been pleased so to contrive the constitution and frame of humanity, that we should want no other prompter to inquire after and pursue the rule of right, but only our own self-love, that universal principle of action. For he has so intimately connected, so inseparably interwoven the laws of eternal justice with the happiness of each individual, that the latter cannot be attained but by observing the former; and, if the former be punctually obeyed, it cannot but induce the latter.

In consequence of which mutual connection of justice and human felicity, he has not perplexed the law of nature with a multitude of abstracted rules and precepts, referring merely to the fitness or unfitness of things, as some have vainly surmised; but has graciously reduced the rule of obedience to this one paternal precept, "that man should pursue his own true and substantial happiness." This is the foundation of what we call ethics, or natural law. For the several articles into which it is branched in our systems, amount to no more than demonstrating that this or that action tends to man's real happiness, and therefore very justly concluding that the performance of it is a part of the law of nature; or, on the other hand, that this or that action is destructive of man's real happiness, and therefore that the law of nature forbids it.

This law of nature, being coeval [existing during the same time] with mankind and dictated by God himself, is of course superior in obligation to any other. It is binding over all the globe in all countries, and at all times: no human laws are of any validity, if contrary to this; and such of them as are valid derive all their force, and all their authority, mediately or immediately, from this original.

#### **John Stuart Mill**

The expression "Law of Nature" is generally employed by scientific men with a sort of tacit reference to the original sense of the word law, namely, the expression of the will of a superior -the superior, in this instance, being the Ruler of the universe.

#### **Henry George - The Science of Political Economy, p.60, 57**

Human laws are made by man, and share in all his weaknesses and frailties. They must be enforced by penalties subsequent to and conditioned upon their violation. Such penalties are called sanctions. Unless accompanied by some penalty for its violation, no act of legislative body or sovereign prince becomes law. Lacking sanction, it is merely an expression of wish, not a declaration of will. Human laws are acknowledged only by man; and that not by all men in all times and places, but only by some men -that is, by men living in the time and place where the political power that imposes them has the ability to enforce their sanctions; and not even by all of those men, but generally by only a very small part of them. Limited to the circumscribed areas which we call political divisions, they are even there constantly fluctuating and changing.

Natural laws, on the other hand, belong to the natural order of things; to that order in which and by which not only man himself but all that is, exists. They have no sanctions in the sense of penalties imposed upon their violation, and enforced subsequent to their violation; they cannot be violated. Man can no more resist or swerve a natural law than he can build a world. They are acknowledged not only by all men in all times and places, but also by all animate and all inanimate things; and their sway extends not merely over and throughout the whole earth of which we are constantly changing tenants, but over and through the whole system of which it is a part, and so far as either observation or reason can give us light, over and through the whole universe, visible or invisible. So far as we can see, either by observation or by reason, they know not change or the shadow of turning, but are the same-yesterday, today, tomorrow; for they are expressions, not of the mutable will of man, but of the immutable will of God.

...To such recognition of will or spirit, reason, as it searches from effect for cause, must come before it can rest content. Beyond this, reason cannot go. Why is it that some things always coexist with other things? and that some things always follow other things? The Mohammedan will answer: "It is the will of God." The man of our Western civilization will answer: "It is a law of Nature." The phrase is different, but the answer one.

### **Economics Part 1 - New York 1/79 1:10:2-3**

Natural law is not easy to find. It lies deep, hidden by its own action, and by the interplay of other forces.

Discovered, it is revealed as astonishingly simple, and as reaching into every detail of its sphere of action.

Man cannot change it; he must work within it. It is part of the miraculous order of creation; one of the principles of harmony, which welds all things into a coherent and purposeful whole.

Knowledge of it shows man what he can do, and what he cannot do; it shows him what results flow from particular actions.

Ignorant of it, he blunders on, the puppet of events; in this state, he does nothing; everything is done to him.

**Leon MacLaren - The Nature of Society, p. 6**

To attain this understanding it would seem that a new and more humble approach to the study of social relations is required. First, it is essential to find and measure the natural laws at work in society for they are above man's control and govern his every activity. An understanding of these laws must reveal the realities of the situation and show the constant factors in social life. Once ascertained, this knowledge will make easy the further understanding of how to shape society so that natural forces may operate to the greatest good.

Man has a freedom of choice for he may choose to do right or wrong. Once having chosen, however, the consequences of his act follow inevitably. The law of gravity is of sovereign good to the whole of natural creation but if a man throws himself from the top of a cliff the operation of this same law will dash him to pieces. In order to progress men must understand the forces which dominate their life, and having understood them they must bring their institutions into conformity with them.

**William Temple - Christianity and Social Order, p.82**

The old conception of Natural Law has lost much of its appeal for us through the fact that it was worked out in special relation to a feudal and peasant society. The forms of that society are vanished; but it embodies some important principles, of which perhaps the chief is the close association of status, and of wealth as conferring status, with social function. Each man had his place in the scheme - whether this was the bare security (with very little freedom) of the serf, or the power enjoyed by the baron in virtue of service rendered or liable to be claimed. There was no recognition of irresponsible power, such as may now be wielded by the inheritors of great wealth, whether in land or in industrial shares. But the basic principles were concealed behind their temporary applications, so when urban civilization began to rival the old peasant type and then to supersede it, and when under its pressure Calvin granted a qualified indulgence to usury, the old principles were rapidly forgotten, and we are now faced with the difficulty of reasserting them in a world developed in almost complete independence of them.

It is wholesome to go back to this conception of Natural Law because it holds together two aspects of truth which it is not easy to hold in combination - the ideal and the practical. We tend to follow one or other of two lines: either we start from a purely ideal conception, and then we bleat fatuously about love; or else we start from the world as it is with the hope of

remedying an abuse here or there, and then we have no general direction or criterion of progress. The conception of Natural Law will help us to frame a conception of the right or ideal relation between the various activities of men and of the men engaged in them. For consideration of the status of an activity in the light of its social function keeps both the ideal and the practical in view.

**Robert M. Hutchins - "Natural Law and Jurisprudence" in Natural Law and Modern Society, p.47**

We have seen that natural law doctrine does not meet the requirements of normative jurisprudence at the present day. The difficulty is not with its principles but with their application to contemporary conditions. But a legal system has to be based on some principles. World law is developing and must develop, because we are going to have some kind of world political community or no world at all. The world is being integrated by fear and technology. If the fear abates, technology will continue the work. The principles of world law must be such as can command the allegiance of all men everywhere. The application of these principles must be made in terms of what is needed to realize the principles here and now. The principles of natural law, which are intended to be universal, seem to be a good place to start. Their application in the here and now is a challenge to thought.

**Henry George - The Condition of Labor, pp.12-13**

Is it not clear that here is a natural law - that is to say, a tendency willed by the Creator? Can it mean anything else than that He who ordained the State, with its needs, has, in the values which attach to land, provided the means to meet those needs?...

Consider: Here is a natural law by which, as society advances, the one thing that increases in value is land - a natural law by virtue of which all growth of population, all advance of the arts, all general improvements of whatever kind, add to a fund that both the commands of justice and the dictates of expediency prompt us to take for the common use of society.

**Henry George - "Thou Shalt Not Steal", p.11**

Now, it is by virtue of a natural law that land steadily increases in value, that population adds to it; that invention adds to it; that the discovery of every fresh evidence of the Creator's goodness in the stores that He has implanted in the



earth for our use add to the value of land, not to the value of anything else. This natural fact is by virtue of a natural law - a law that is as much a law of the Creator as the law of gravitation. What is the intent of this law? Is there not in it a provision for social needs? That land values grow greater and greater as the community grows and common needs increase, is there not a manifest provision for social needs - a fund belonging to society as a whole, with which we may take care of the widow and the orphan and those who fall by the wayside - with which we may provide for public education, meet public expenses, and do all the things that an advancing civilization makes more and more necessary for society to do on behalf of its members?

**Oscar H. Geiger - "Natural Law in the Economic World",  
(Address before the Henry George Congress, New York, September 13, 1927)**

Natural Law is the uniform occurrence of natural phenomena in the same way under the same conditions.

The Law of Attraction of Gravitation is a Natural Law. We know that, because it acts the same at all times under the same conditions.

We know now why apples fall to the ground, but apples fell to the ground for a million years and one of them had to hit Sir Isaac Newton on the head for us to find out why they fall.

The Law of Attraction of Gravitation does not merely control the falling of apples to the ground. It applies to all matter, and as stated in textbooks, reads: Every body attracts every other body with a force that varies directly as the product of the masses of the two bodies, and inversely as the square of the distance between them.

That sounds formidable, and it is. All Natural Laws are formidable; perhaps that is why they are so little understood.

Not to understand Natural Law, however, is not to understand Nature, for only through Natural Law can Nature be understood. This is generally recognized in Astronomy, Physics, Chemistry and Biology, but it is very little, if at all, known in the Social Sciences, and this is rather unfortunate for the Social Sciences, as Natural Law operates equally in this field as it does in all fields of being and living. Whether it is apples falling to the ground or mankind living on the ground, Natural Law operates to

govern both phenomena.

As men gather and settle on some spot on earth in response to their gregarious instinct to live together and to produce the things they need, two values appear, each separate and distinct, one attaching itself to the things that men produce, and one to the land on which they live and work.

The value that attaches itself to the things that men produce is an objective value; it is strictly a labor, or man value, and is a value that man can control. It is high or low in the measure that the product is scarce or plentiful in relation to the demand for it. If high, greater production is encouraged; if low, production can be curtailed. This value is governed by the Natural Law of Supply and Demand.

The value that attaches itself to the land on which men live and produce is not in the control of the individual; it is entirely subjective. The individual in his production of wealth has no thought of this value, and could not control it if he had. It is a value that arises out of the fact of his mere being and producing in company with other individuals.

No individual effort can raise or lower this value. It depends solely and entirely on the presence and activity of the community, and embodies both the expression of man's need for land and the service that society renders to the individual. This value rises and falls only with the movement and productivity of population. It is high in thickly settled and industrious communities, and low where population is sparse, and production poor. This value is a social or community value; it is governed by the Law of Rent.

These two values, Product Value and Land Value, appear everywhere that men live and produce wealth; they rise or fall everywhere the same under the same conditions; they are Natural phenomena; and they in every way meet the requirements of Natural Law—the Law of Supply and Demand in the case of Product Value, and the Law of Rent in the case of Land Value. Are these Laws then not Natural Laws? If they are not, then neither is the Law of Attraction of Gravitation a Natural Law. If they are Natural Laws, they cannot be disregarded without meeting the consequences.

If we assume that men are freemen and have equal right to life

and liberty, then, out of the fact that Product Value is Labor Value or Man Value, it follows that men have the right to keep and enjoy the results of their individual toil or effort, and to freely exchange or sell or bequeath their product, and that they cannot, except by the violation of Natural Law, be deprived of it.

Society is an entity, as is evidenced by the fact that a value arises out of its existence, and also by the fact that it has needs and wants, and must raise money to defray expenditures, and by the further fact that it creates a fund which fully equals all its legitimate requirements. Who but a professor of economics would fail to recognize in this the working of a Natural Law? It is a violation of Natural Law to deprive the individual of his product-Wealth. It is equally a violation of Natural law to deprive society of its product-Rent. The violation of Natural Law does not remain unpunished.

Whether the Darwinian Theory or the Biblical Story of Creation is correct, man must live by the sweat of his brow; he must render service, he must till the soil, reap the fruits, dig in the mines, and build on the earth. It is on the Earth that he has his being, and out of the Earth that he gets his living. Again assuming that men are freemen with equal rights to life, it follows that they have equal rights of access to the Earth.

Of all the Laws in the field of Social Science, the most fundamental and far reaching (and perhaps, therefore, the least understood in the science of Political Economy) is the Law of Equality: the Law that, being of like kind, like origin, like needs, and like means to supply those needs, men are equal and have equal rights to supply those needs out of the only source from which those needs can be supplied, the Earth. And the most flagrant and vicious violation of Natural Law is the private appropriation of land, which denies man free access to the Earth and enables its proprietors, or appropriators, to dictate the terms under which the landless may remain and produce on the Earth which the Lord, their God, gaveth them!

The appropriation of the land by the few diverts into the pockets of the owners of land the Rent which is the product of the community, and which is intended by Nature to defray communal expenses: and this appropriation of Community Value by individuals results in the appropriation of Individual Values by the community by way of Tariffs, Assessments, Tolls and Taxes,

and thus begins the vicious circle of the Violation of Natural Law, which has brought all misery to mankind.

If there is any one principle more important than any other principle in the economic affairs of men, it is that the Earth is the birthright of all mankind, and that all have an equal right to its use; and if there is any one violation of Natural law that is more devastating in its consequences than the violation of any other Natural Law, it is the private ownership of land.

And what are the consequences? Poverty is universal and persistent, crime and vice are on the increase, wars are more deadly than ever, nations crumble and fall and civilizations die. Almost all ancient civilizations have died. Babylon, Egypt, Greece and Rome are no more. Greece, where philosophy was born, where man is said to have reached his highest culture, is gone, and so is Rome, where imperial power reached its greatest consummation.

The life of civilization is about one thousand years. No civilization has lived more than eleven hundred years, and if our wise men of today are correct, this civilization, perhaps the youngest of them all, has not much longer to live.

Civilization is but a social composite of mankind at any given period and place, and is endowed only with such potentialities as are imparted to it by the minds and deeds and conditions of men.

As history dawns we find mankind divided into two great classes, those who have and who rule, on the one hand, and those who serve and who have not, on the other hand. We find the land already appropriated, and those who own it the supporters of the Kings and the Clergy, while the mass of mankind is landless and living in comparative slavery and serfdom.

We have since then changed our terminology: for Kings and Emperors we have Presidents and Constitutional Monarchs; Despotism we call Democracy; and Slaves and Serfs are our labor, or Laboring Classes; also to the Clergy we have added the Press and the Universities to administer the opiates of sacred institutionalism to the people. But those who build our modern industrial Pyramids and Palaces still live in hovels, and those who produce all the world's wealth still have the least of this world's goods. And this condition is daily becoming intensified, for wealth inevitably tends to beget more wealth, and power to

increase power, while poverty tends only to ignorance, vice, crime, disease and misery.

What an astounding phenomenon, that producers of wealth are everywhere poor, and continually becoming poorer, while non-producers are continually becoming richer!

The social structure, at whatever time or place, rests on its producing class, as a pyramid rests on its base. Given a base that is weak and continually becoming weaker, it does not require higher mathematics to envisage the downfall of that pyramid. History records no time when the producers, the mass of mankind, were left unmolested in the possession of their products, and history may be read as a chronicle of war and crime and devastation.

Henry George saw poverty and misery amidst increasing wealth and progress, and it would not let him rest. He knew that this is a dynamic, not a static world; that it is a world of law; that events are not left to mere chance and accident, but that everything in the universe, whether the infinitely large, as viewed through the telescope, or the infinitely small, as viewed through the microscope, is governed by law-intelligent, purposeful law; and being a man of infinite faith, he knew that poverty and its concomitants must be the result of the violation of Natural Law.

He found that, just as the motions of the heavenly spheres, and the appearance and reproduction of vegetation and life on earth, are controlled by Natural Law, just so are the acts of men, whether as individuals or as society, controlled by Natural Law; and he further found that non-conformance to Natural Law in the field of Social Science, just as disregard of Natural Law in the field of the Physical Sciences, leads eventually to death and destruction.

We in this civilization no longer ascribe bodily ailments to the visitations of evil spirits, and no longer attempt to effect cures by the casting out of devils. We may not be much further advanced in our systems of healing, but it is generally admitted among good medical authorities that permanent cure depends on knowing the cause of the ailment, and that the cause is nearly always found to be the disregard or violation of Natural Law.

Just as individual ailments are the symptoms of the violation of

those Natural Laws that govern the life and well-being of the individual, just so are poverty, ignorance, crime, vice, disease, business depressions, hard times, war, the breaking down of nations and the death of civilizations merely the symptoms of social disease, warning us of the violation of those Natural Laws that govern the life and well-being of society.

Henry George was not the first to see that there was a relationship between the poverty of mankind and the private ownership of land by the few. It was seen in Biblical times, it was recognized by the early Christian Fathers, and it was sensed by the Physiocrats in France and by the Economists in England. But it remained for Henry George to show that the private ownership of land, which denied men access to the earth upon which they must live and from which they must satisfy all their needs and wants, is the primal cause, not merely of poverty and all the misery and wrong that follow in the wake of poverty, but that it is the basic cause of evil and injustice among civilized men; and that only by the elimination of the private ownership of land can liberty and justice be achieved and evil forever be abolished. It remained for Henry George to show that, potentially, this is a good world; that men are innately good, not innately bad; that Creation is based on justice, not on vengeance; that the earth is a banquet table, spread by the hand of a benign Creator and laden with an abundance of all things for which men have need, and at which every human being has a place.

Freedom, Equality and Security are man's estate in the intent and scheme of Nature. Freedom of access to land, equality of rights of opportunity, and security in the possession of his entire product are man's birthright, and these he will some day attain, even if through his ignorance men first must suffer, nations perish, and civilizations die for it.

But why wait? Why permit the misery and suffering of mankind to go on? If misery and suffering are due to the violation of Natural Law, why continue the violation?

"Render unto Caesar the things that are Caesar's and unto God the things that are God's." Render unto the individual the things that are the individual's, and to society the things that are society's.

Give back to society the one thing that is made by society, and which therefore belongs to society, and leave the individual in

possession of the things that he creates, and which therefore are his.

Take the rent of land for communal purposes, and stop the robbery of the community by the landowner. Abolish all tariffs, tolls and taxes, and stop the robbery of the individual by the government.

Observe the Law - the Natural Law - which is the Word of God, and let each take his place at the banquet table God has provided for all.

**Charles Avila - Ownership Early Christian Teaching, p.71-2**

"Fish know their own confines, which are not bounded by city walls, by gates, or by buildings; neither are they marked as in the boundaries of the fields. But each has a terminal limit of space in accordance with its need, so that only so much is given to each as to satisfy completely its wants - not so much as its unregulated greed can claim for itself. There is, if I may say so, a law of nature that one can seek only what suffices for nourishment and that the allotment 'which thy fathers have set' (Proverbs. 22:28) should be in proportion to the need for food." [-Ambrose].

...The patristic [the fathers of the Church, the early Christian philosophers] concept of natural law is mainly of Stoic origin. The natural law is the unwritten, eternal law. It serves as the norm for all positive law, and is identical with cosmic reason. According to this law, every being must do or become what is demanded of it by its nature. We have seen how the Stoic emperor, Marcus Aurelius, exhorted his fellow human beings to emulate 'the little plants, the little birds, the ants, the spiders, the bees,' and to do 'the work of a human being' by acting in accordance with human nature. In the same fashion, in text 6A [above], by observing the law that naturally governs the mode of 'ownership' among existents other than human beings, Ambrose concludes to a precept of the natural law that individual human ownership of property, as well, should be regarded as essentially limited by its common purpose.

Our true needs determine the limits of ownership. To legitimize unlimited accumulation, and thus promote avarice, causes poverty. Fish and birds know their own limits, and thus are given "unfailing nourishment." "Avarice, then," Ambrose concludes, "must be the cause of our need."

**Marsilio Ficino - The Letters of Marsilio Ficino, Volume 2 Letter 40**

Live, I beg you, by the law of nature, which is content with very few and very small things, and not according to opinion, which always compels you to be poor. Assuredly, necessity is confined within narrow limits, opinion within none. What is necessary is revealed and provided for us at every step; we labor for what is superfluous. For a man going on a journey necessity presents useful and suitable provision; opinion offers useless burden and toil.

**Leon MacLaren - Lectures Vol 1, p.155**

Now this whole creation in all its glory, is governed by the Will of the Supreme Self. This Will appears as the law enshrined in prakrti. That is the real meaning of natural law, it is the Supreme Will enshrined in prakrti, and it is therefore enshrined in the nature of every human being.

**Leon MacLaren - Lectures Vol 3, p.152**

Supposing I give a very simple example: first I should tell you that you are so constituted in the divine wisdom that not only is your Self not in any way different from the Absolute Itself, but the Absolute enters you to become your Self; but in the same way your nature is also the Absolute nature. Now this Absolute nature, called the unmanifest prakrti, prakrti avyakta, is such that it contains all the regulations for the creation and all the creatures in it; all knowledge in fact. And this body of law, which is embodied in the consciousness of the Absolute, in nature, in the unmanifest prakrti, is the source from which all the creatures come, and when they have had their time, to which they return for a rest. That is how it is. Now this body of law held in prakrti is what is meant by natural law, it is the Will of the Absolute, and it is held in your own nature and in the nature of every one of us. There are the fine regulations of the creation; they are actually there.

**His Holiness Shantanand Saraswati - Good Company, p.76**

The natural law is seen to be regulated by the three Gunas - Sattva, Rajas and Tamas. Two of the three use energy - Rajas and Tamas are there to use up the energy enshrined in the individual. It is only in Sattva that the energy can be recovered and stored up by the individual. The qualities of these three are seen in different manifestations: Sattva is a very light Guna, in two senses. It gives light to the individual and it makes his heart



very light - it always keeps him in a happy, steady, evolving, blissful situation. Rajas activates the individual, but the movement is too fast and he doesn't come to any peaceful and steady situation. Tamas brings sloth and laziness and binds everything together, so with Rajas and Tamas the energies of nature are being dissipated and spent. We have been given this meditation to go deep and bring out that energy which can be used again. If the expenses of the individual are more than the income then the downfall is obvious, but, if the income of the individual is more than the expenses, then development is assured. All we have to do is to practice more, so that we get charged with more energy and the rest will follow naturally - things will get done, we will be much happier, much steadier and much more pleasant and effective wherever we are.

**His Holiness Shantanand Saraswati - The Man Who Wanted to Meet God, p.143-4**

[Question] In New York people asked me why I had to go to India, so far away? I told them it was not geographical. I knew what I wanted, and if I could have found it nearer home it would have been more convenient. I went on to mention the Shankaracharya's example of the lame man and the blind man. Would the Shankaracharya have suggested something better?

[Answer] According to Indian tradition this story is related to natural law and man-made law. Man-made law is not far-sighted. Natural law does not have the capacity to command because it simply moves naturally, whereas man-made law commands, demands, and makes people follow it. The relation between them is like that between husband and wife. If both agree there is peace, prosperity, and contentment. But if there is conflict between husband and wife there will never be much peace in the house, just eternal conflict.

The men who understand the natural laws and the men who administer the man-made laws are, respectively, like a lame man who can see but cannot move, and a blind man who is very active but cannot see in what direction he is going or what will be the consequences of his actions.

A way must be found for these two kinds of people to work together. The blind man should take the lame man on his shoulders. The lame man advises the blind man which way to walk, and the blind man can get around, but if there is conflict

nothing can be done - the blind man will run the wrong way and the lame man can only talk.

This should be the relation of holy or spiritual leaders to public men - men of business or government. If this relationship were established and maintained, the house of the nation would have peace. Otherwise the nation eventually disintegrates.

## **Natural Resources**

All natural materials, forces, and opportunities freely supplied by nature, such as forests, minerals, or a falling stream which supplies power, which have been shown to be useful towards the satisfaction of man's desires.

### **American Heritage Dictionary**

Usually plural. A material source of wealth that occurs in a natural state, such as forests or minerals.

### **Bronfenbrenner, et al. - Economics, p. G-22**

One of the factors of production or resources; a "gift of nature" that can be used in production, such as unimproved land or minerals in the ground.

## **Nature**

**The order, arrangement, and essence of all elements composing the physical, mental and causal universe.**

### **American Heritage Dictionary**

- n.
1. The intrinsic characteristics and qualities of a person or thing.
  2. The order, disposition, and essence of all entities composing the physical universe.
  3. The physical world, usually the outdoors, including all living things.
  5. Often capital N. The forces or processes of the physical world, generally personified as a female being.
  6. The primitive state of existence, untouched and uninfluenced by civilization or artificiality.
  7. Theology. Man's natural state, as distinguished from the state of grace.
  11. The natural or real aspect of a person, place, or thing.
  12. Reality, as distinguished from the imaginary or marvelous.

### **Aristotle - Metaphysics (first sentence)**

Man by nature wants to know.

### **Edmund Burke**

The principles that guide us in public and in private, as they are not of our devising, but molded into the nature and essence of things, will endure with the sun and moon - long, very long after Whig and Tory, Stuart and Brunswick, and all such miserable baubles and playthings of the hour, are vanished from existence and from memory.

### **Anonymous**

Hegel, who thought that the ultimate object of the progress of the human soul was to realize its freedom, recognized that freedom could not be found in Nature, and that it was something which could only be realized by the spirit of man. Nature, said Hegel, is the realm of necessity, of law, and one must seek freedom, not in Nature, but in the realm of the spirit. Man is an amphibious being, half body and half spirit, but it is his inner consciousness which has the capacity to become free. The human soul is evolving through experience from Nature to the

realization of the freedom of the spirit.

**Hari Prasad Shastri - Self-Knowledge, V 40, No 3, pp.90-1**

Nature has implanted in man the undying quest for reality. This quest will end only when man has known that which is real and eternal, which is peace and light. The theologians call it God, the philosopher, the Absolute, and in yoga it is called Atman - Self. Man's whole life can be judged by his conception of himself. One who is conceited, blind to the interests of others, dwelling only in the narrow world of the care of his body, his family or his country, can never be free or happy. The mind looks for unity in variety. The real process of knowledge is to make a synthesis of the perceived objects into one complete whole; and that universal whole is the reality in man which knows no change, the light which never dims, the peace which never decreases. It is this knowledge which the soul is seeking.

In the silence of the mind, when desires are hushed, when doubts and speculations are put to sleep in the cradle of reason, the soul discerns a light which is bliss.

**Hari Prasad Shastri - Self-Knowledge, Vol 46, No 3**

How elevating, how uplifting, how inspiring, is nature. All wisdom of philosophers and sages is written on leaves of grass. The waving flowers, smiling brooks, red evening sky, calm lakes, all inspire us with the noblest thoughts. The man who is not moved by the sight of a crescent moon accompanied by stars in a cloudless sky, or by a tree laden with spring flowers, can neither love man nor God, and is not trustworthy.

God is seen face to face in nature. Of whom do the rows of flying cranes in a cloudless sky remind us? Who is brought to our memory by seeing cows grazing on the slope of a hill covered with waving grass in an autumn evening? The rising moon and the setting sun take our mind to the holy of holies.

It is good to read the Bible, the Gita, or the Mathnawi and think of our Creator, but the book of nature is more inspiring than any of these books. There the finger of God writes in all beauty. Blessed is the one who reads that book and forgets all the world in its grandeur.

The life in towns and big cities cuts us off from the beauties of nature, and thus confines our soul in a small prison. Look, look

at nature, and sing to the Lord of Nature, O Heart!

**Hari Prasad Shastri - Self-Knowledge, Vol 47, No 4, pp. 157,159**

Present-day psychology comes to an end with the mind. The word psychology is a misnomer, because those who teach it do not believe in a psyche, or in the eternal element or soul or spirit in man.... There are two ways of ethics, one is the natural way and the other is the scripture-inspired way. If a man says, 'live according to nature,' it is totally wrong, because nature is blind. It is the spirit in nature, that uses nature for its specific purposes. You cannot live according to nature. If a man says he lives according to nature he ought not to live in a house, dress himself or select his food. He would be reduced to the state of a gorilla, an orangutan or a chimpanzee if he lived according to nature.

Man has to seek guidance for his behavior in the holy scriptures, or in the experience of the holy saints of God.... If, in the context of speaking about successful living, we use the word 'natural' in the sense of 'physically natural', that is wrong. Our mind also is a part of nature. Is the mental world a part of nature, or is it something apart from nature? Nature is the collective name given to the laws which rule matter and aspects of matter; and mind, being regarded as material in the holy philosophy, is also subject to laws as serious, strong and immutable as any of the other laws in the physical world.

One often hears the confident assertion: 'It's all in the mind!' And it is reasonable to ask *is it true?*

There are two short answers to this question: one is 'Yes!' and the other is 'No!' Both answers are right in their own way and both are misleading! Those of you who are old enough to remember the early days of the Brains Trust may remember that Professor Joad used to invariably reply to difficult questions which were put to him: 'It depends what you mean by...(whatever it was you were asking him about)'. Unsatisfactory or not, the same reply applies to those who ask: 'Is it all in the mind?' In this particular case, it depends on exactly what you mean by the words '**it all**' and the expression '**the mind**'.

...But there is a further important point to remember in relation to the use of the words 'the mind'. And that is, that from the point of view of Vedanta, both matter and mind are aspects of Nature (Prakriti), the creative power or energy (shakti) of the

Absolute....That is not to say that there is no difference between them: they are distinct aspects of Prakriti with their own particular characteristics or qualities. Compared with matter, for instance, mind has the quality of interiority and immediacy of perception, whereas matter is something perceived indirectly through the medium of the senses, whose existence and nature is inferred through our experience of sense-data. But they are not fundamentally different in kind. Both have the nature of being objects of experience - they are part of what chapter 13 of the **Bhagavad Gita** call the Field (Kshetra) which is experienced by the Knower of the Field (Kshetrajna) - and both are products of the play of the creative energy (Maya Shakti) as Nature (Prakriti). As such their contents consist of structured events. Hence we are wrong if we think that the concept of a thing being '**in the mind**' means that it is not also in the world of Nature.

**Leon MacLaren - Lectures Volume 4 - p.202**

Nature is a body of laws. Prakrti is a body of laws; and its laws cannot be gainsaid, full stop. Do not think that we have power over nature, not on your life.

**The Bhagavad Gita - p.11 (With the commentary of Shri Sankaracharya)**

33. Even the man of knowledge acts in conformity with his own nature; (all) beings follow (their) nature; what shall coercion avail?

Nature (prakriti) is the samskara (the latent self-reproductive impression of the past acts of dharma and adharma) manifesting itself at the commencement of the present birth. Even the man of knowledge acts according to his own nature; it needs no saying that an ignorant man acts according to his own nature. Thus all living beings follow their own nature. What shall coercion in the shape of prohibition avail? That is to say, to Me or to anybody else, nature is irresistible.

**Lao Tzu - Tao Te Ching**

Empty yourself of everything.

Let the mind rest in peace.

The ten thousand things rise and fall while the Self watches their return.

They grow and flourish and then return to the source.

Returning to the source is stillness, which is the way of nature.

The way of nature is unchanging.  
Knowing constancy is insight.  
Not knowing constancy leads to disaster.  
Knowing constancy, the mind is open.  
With an open mind, you will be openhearted.  
Being openhearted, you will act royally.  
Being royal, you will attain the divine.  
Being divine, you will be at one with the Tao.  
Being at one with the Tao is eternal.  
And though the body dies,  
the Tao will never pass away.



## Need

### American Heritage Dictionary

- n.
1. A condition or situation in which something necessary or desirable is required or wanted: *crops in need of water.*
  2. A wish for something that is lacking or desired: *a need for affection.*
  3. Necessity; obligation: *There is no need for you to go.*
  4. Something required or wanted; a requisite: *Our needs are modest.*
  5. A condition of poverty or misfortune: *He is in dire need.*

**Synonyms:** **need, necessity, exigency, requisite.**

**Need**, as a noun, is the most general of the words compared here and the least strong in signifying urgency.

**Necessity** greatly intensifies urgency to the point of denying that the particular need can be ignored.

**Exigency** (usually plural in this sense) stresses great urgency brought about by particular conditions or circumstances, often those of an emergency.

**Requisite** specifies need closely associated with attainment of a given goal: like **exigency**, but unlike the other terms, it connotes need imposed by external requirements rather than by inner compulsion.

### 1 Timothy 6:7-8

We brought nothing into this world, nor have we the power to take anything out. If we have food and clothing we have all that we need.

## Neoclassical Economics

### "Economics" - Microsoft (R) Encarta

Classical economics proceeded from the assumption of scarcity, such as the law of diminishing returns and Malthusian population doctrine. Dating from the 1870's, neoclassicist economists such as William Stanley Jevons in Great Britain, Leon Walras (1834-1910) in France, and Karl Menger (1840-1921) in Austria shifted emphasis from limitations on supply to interpretations of consumer choice in psychological terms. Concentrating on the utility or satisfaction rendered by the last or marginal unit purchased, neoclassicists explained market prices not by reference to the differing quantities of human labor needed to produce assorted items, as in the theories of Ricardo and Marx, but rather according to the intensity of consumer preference for one more unit of any given commodity.

The British economist Alfred Marshall, particularly in his masterly neoclassicist work Principles of Economics (1890), explained demand by the principle of marginal utility, and supply by the rule of marginal productivity (the cost of producing the last item of a given quantity). In competitive markets, consumer preferences for low prices of goods and seller preferences for high prices were adjusted to some mutually agreeable level. At any actual price, then, buyers were willing to purchase precisely the quantity of goods that sellers were prepared to offer.

As in markets for consumer goods, this same reconciliation between supply and demand occurred in markets for money and human labor. In money markets, the interest rate matched borrowers with lenders. The borrowers expected to use their loans to earn profits larger than the interest they had to pay. Savers, for their part, demanded a price for postponing the enjoyment of their own money. A similar accommodation had to be made in wages paid for human labor. In competitive labor markets, wages actually paid represented at least the value to the employer of the output attributed to hours worked and at least acceptable compensation to the employee for the tedium and fatigue of the work.

By implication, if not direct statement, the tendency of neoclassical doctrine has been politically conservative. Its advocates distinctly prefer competitive markets to government intervention and, at least until the Great Depression of the 1930's, insisted that the best public policies were echoes of

Adam Smith: low taxes, thrift in public spending, and annually balanced budgets. Neoclassicists do not inquire into the origins of wealth. They explain disparities in income as well as wealth for the most part by paralleled differences among human being in talent, intelligence, energy, and ambition. Hence, men and women succeed or fail because of their individual attributes, not because they are either beneficiaries of special advantage or victims of special handicaps. In capitalist societies, neoclassical economics is the generally accepted textbook explanation of price and income determination.

**Normative economics**

**Bronfenbrenner, et al. - Economics, p.G-23**

An approach to economics that is subjective and expresses an opinion or preference.

## Oligopoly

### American Heritage Dictionary

n. **Economics.** A market condition in which sellers are so few that the actions of any one of them will materially affect price and hence have a measurable impact upon competitors: "*Profits above normal may persist in oligopoly*" (Melville Ullmer).

## **Ownership**

### **American Heritage Dictionary**

- n.
1. The state or fact of being an owner.
  2. Legal right to the possession of a thing; proprietorship; dominion.

### **Bronfenbrenner, et al. - Economics, p. G-23**

Ownership (basis for classifying economic systems) the entities such as individuals, firms, collectives, or governments that are permitted to hold legal title to natural resources and capital goods.

### **John P. Powelson -The Story of Land, p.5**

In this theocracy, people did not think of themselves as coming from (say) the city of Uruk [southern Mesopotamia] or even as kin-related, but as belonging to the goddess Inanna of Uruk (or other gods or goddesses for other cities). This goddess was ultimate 'owner' of the land; by 'ownership' we mean the ultimate authority over the use of land and disposition of its fruits, more than that of 'sovereign' whose practical authority over land use might be limited. The goddess appointed the priests and delegated to them all her authority over land and people. The community would work the land under the direction of the priests. The tillers of the soil did not own their means of production, and the product would go to the temple, which redistributed it.

But the structure was neither tight nor uniform. Uruk itself developed an urban area of about 125 hectares (c.3000 BC), but the temple bureaucracy enlarged itself into a state encompassing also smaller villages. Outside of these villages, but within the city-state, were individuals who 'owned' land, who carried out production and disposed of the product with out reference to the temple. Alternatively, these 'individuals' may have been prominent families in whose lineage the land was vested by custom but we are not sure of this. (Modern concepts of ownership, such as title deeds and court jurisdiction, of course, did not exist.) Evidence on the sale of these 'private' properties is available from about 2700 BC onward, from textual information (on tablets). Whether land sales occurred earlier we do not know. How this private ownership is reconciled with the principle of goddess allocation of land to the priests is not clear; perhaps there was no need to reconcile principle with practice.

From 2500 on, city-states were constantly fighting among

themselves, probably over land or water rights. Lagash and Umma fought for generations, presumably over the fertile area of Gu'edena, although we are not really sure. In the course of all this fighting, there was a shift from the theocracy to a secular state. Whereas the texts tell of priests and temples in 3500-3000 BC, by 2500 we hear of palaces, kings, lords, and governors. Land relationships became more complex along with the social hierarchy. As city-states conquered their neighbors, empires began to form in the latter half of the third millennium. King Lugalzaggizi of Uruk may have held the first among these. Empires were divided into provinces called *nomes*, where governors represented the king.

How did this change occur? We do not know for certain. But a Sumerian epic tale tells of a fight between two city-states. The Council of Elders elected a chief of the army who vanquished the enemy; upon his return, as Caesar did two millennia later, he refused to give up his position.

#### **Tiberius Gracchus**

In Italy, the wild beasts have their holes and their lairs where they can rest, but you who fight and die for Italy's power have nothing but air and light, which are about all you cannot be robbed of. You roam with your wives and children without house and home.

#### **Karl Marx - Vol. 3?**

Looking from the angle of a higher social economic pattern, private ownership of land by an individual, like the ownership of one person by another person, is preposterous. Even the whole society, a nation, and all the existing societies put together are not owners of the land. They are merely the occupants and users of the land and, like a good patriarch, must improve the land before handing it down to posterity.

#### **Henry George - Social Problems, pp. 205-6**

No assumption can be more gratuitous than that constantly made that absolute ownership of land is necessary to the improvement and proper use of land. What is necessary to the best use of land is the security of improvements - the assurance that the labor and capital expended upon it shall enjoy their reward. This is a very different thing from the absolute ownership of land.

#### **Charles Avila - Ownership Early Christian Teaching, p.3**

The general notion of ownership is familiar to everyone. In a dictionary or an encyclopedia, a history manual, or a scientific journal, the term simply signifies what ordinary parlance conveys by 'yours,' 'mine,' 'his,' 'hers,' 'theirs,' and 'ours.' It denotes the right to an exclusive free disposition over material goods - now therefore termed 'property,' 'something owned.' Ownership is understood as 'the right of the individual to enjoy exclusive possession of material goods with the right of free use and non-use.' Some define ownership as 'the dominion of a thing real or personal, which one has the right to enjoy and to do with as he pleases, even to spoil or destroy it as far as law permits...the right by which a thing belongs to a particular person to the exclusion of all others.' In this common understanding of the term, ownership is a relation, but not so much a relation between a person and the thing owned as between the owning person and other people, whom the owner excludes from, or to whom the owner concedes, possession.

Thus ownership is understood as 'the exclusive right of disposing of a thing as one's own,' that is, as reserved to oneself, as belonging to oneself to the exclusion of all others. "Disposing of' means 'keeping, changing, giving away, selling, using, consuming, or even destroying.' Of itself the ownership right is unlimited, though limitation may come from an external source, like civil law, or the demands of a higher order, like charity. But it is essentially an 'exclusive' right, so that, where there is no one to exclude, the right, as commonly understood, cannot and does not exist. Thus when I say, for example, 'This chair is mine,' or 'This land is mine,' I declare and mean it to be 'mine' in the sense that it is not yours, nor hers, nor his, nor theirs, nor ours-in-common, but simply mine alone. And because it is mine, I can do with it whatever I wish: I can use it, abuse it, or, if it is consumable, consume it. If it is land, I can let others work it, or leave it idle, as I desire - because it is 'mine.'

Exclusive and unlimited disposition, then, are the chief elements as the term is commonly used.

**Charles Avila - Ownership Early Christian Teaching, pp.14-15, 19, 20**

Probably the most familiar part of the [Roman] law, functionally at any rate, as far as both the owning minority and the peasant and tenant majority were concerned, was the law of property, with its principle of absolute and exclusive individual ownership.



That principle - and this is what is important for our purposes - has survived almost intact right down to the present day....Roman law was dominated by what is commonly called the absolute conception of ownership, and by the action (called **vindicatio**) through which that absolute right was asserted. According to this concept, ownership is 'the unrestricted right of control over a physical thing, and whosoever has this right can claim the thing he owns wherever it is and no matter who possesses it.'

Ownership was sacrosanct. Although there were a few restrictions in practice (for instance, as provided in public law) on the power of ownership, philosophically and in theory this power, called **dominium** or **proprietas**, was nearly unrestricted. Anyone who could say of anything, whether corporal or incorporeal (such as debts and servitude), 'Meum est - it is mine,' had the power over it 'to have, to hold, to use, to enjoy, to do as one pleased - **habere, possidere, uti, frui, licere.**'

In Roman law, property, or something owned, was an economic and not merely a physical conception. It denoted an element of wealth, an asset. Thus slavery was regulated not by the law of persons, but by the **ius rerum**, or law of things, because slaves were an asset, or economic thing.

...What patristic [the fathers of the Church, the early Christian philosophers] thought called outright robbery - beginning with the land seizures of the earliest patricians, and continuing down to the **latifundia**, or great estates, of the late Roman Empire - was securely legitimated by the Roman law conception of **dominium**, or ownership. **Dominium** was the ultimate right, the right which had no right behind it, the right which legitimated all others, while itself having no need of legitimizing. At times, to be sure, it was a mere **nudum ius**, a naked right devoid of practical effect. But it was still **dominium**. It was the **right** 'of using, enjoying, and abusing - **ius utendi fruendi abutendi.**

**Charles Avila - Ownership Early Christian Teaching, pp. 84-86, 92, 95, 102, 103**

[All above quotes from John Chrysostom]

"My son, rob not the poor man of his livelihood" (Ecclus. 4:1). The one who despoils takes the property of another. For it is called spoliation when we retain others' property. On this account let us learn that as often as we have not given alms, we shall be punished like those who have plundered... God has given

you many things to possess, not in order that you may use them up for fornication, drunkenness, gluttony, costly clothes, and other forms of soft living, but in order that you may distribute to the needy. Therefore...those who have something more than necessity demands and spend it on themselves instead of distributing it to their needy fellow servants, they will be meted out terrible punishments. For what they possess is not personal property; it belongs to their fellow servants.

...But what is the meaning of "mine" and "not mine"? For, truly, the more accurately I weigh these words, the more they seem to me to be but words...And not only in silver and gold, but also in bathing places, gardens, buildings, "mine" and "not mine" you will perceive to be but meaningless words. For use is common to all. Those who seem to be owners have only more care of these things than those who are not. The former, after so much effort, obtain but just as much as those who have expended no effort.

...God generously gives all things that are much more necessary than money, such as air, water, fire, the sun - all such things. It is surely not true to say that the rich person enjoys the sun's rays more than the poor person does. It is not correct to say that the rich person takes in a more abundant supply of air than the poor person does. No, all [these] things lie at the equal and common disposition of all.... That we may live securely, the causes of virtue are given to us in common...again, that we may have an occasion for growth and merits, money is not made common, so that, hating avarice and following justice, and sharing with the needy, we may seize through this means some remedy for our sins.

...For "mine" and "thine" - those chilly words which introduce innumerable wars into the world - should be eliminated from that holy Church.... The poor would not envy the rich, because there would be no rich. Neither would the poor be despised by the rich, for there would be no poor. All things would be in common.

...The scriptures are full of warnings: Today a rich man, tomorrow a pauper. For that reason I have often laughed while reading documents that say: That one has the ownership of fields and house, but another has its use. For all of us have the use, and no one has the ownership...Having received only its use, we pass to the next life bereft of its ownership.

...Mark the wise dispensation of God...He has made certain things

common, as the sun, air, earth, and water, the sky, the sea, the light, the stars, whose benefits are dispensed equally to all as brethren.... And mark, that concerning things that remain common there is not contention but all is peaceable. But when one attempts to possess himself of anything, to make it his own, then contention is introduced, as if nature herself were indignant.

Throughout our selection of passages, the *theistic factor* is dominant. John looked at the prevailing social order and saw that it did not seriously, practically recognize the Creator as the Absolute Owner of all things. So John went 'back to basics' and emphasized that all wealth, primarily and essentially, belongs to God, the one Lord. That God, for Chrysostom, is Lord in the sense of 'owner' is evinced by his use of the word **despots** for God. (**Despoteia**, we recall, is his word for 'dominion,' 'ownership.')

**Charles Avila - Ownership Early Christian Teaching, pp. 108, 109, 111, 113, 122-124**

Roman laws of ownership were the same for Augustine as for Ambrose, who was but a dozen years older than he. Like Ambrose, Augustine was altogether conversant with these laws, which he had studied *ex professo*. But he never directly concerns himself with the legal reform of property rights and laws. Instead he explores what ownership ought to mean and how it should be ethically regarded by all.

Augustine's theory of property cannot be considered in isolation from his general moral theory. The first foundation of his moral philosophy is that the purpose of human life is to be found only in God, The Supreme Good. The whole of morality, then, consists in directing the free choice of our will explicitly or implicitly toward God...Augustine's point of departure here is the undeniable psychological fact of our soul's insatiable yearnings for happiness. Building on this premise, Augustine now identifies the ultimate object of happiness with God himself: in virtue of the Platonic axiom that good is identified with being and that evil is but the lack or privation of being, perfect and absolute Good will exist only where there is complete Being without limits - consequently, immutable and eternal Being. God alone, then, is the perfect good - subsistent Goodness.

...God alone may be loved for his own sake. Him alone may we 'enjoy,' in the full, proper sense of the word. Created goods - wealth and everything else - must only be 'used,' for they are

but the means by which we go to God. They are not meant to be 'enjoyed,' in the refined philosophical sense which Augustine gives this word. 'Fruition' is permitted only where an absolute value is concerned, for fruition is only of that which is loved for its own sake, and in Augustine's moral philosophy, love has the primacy. **Frui** is thus contrasted with **uti** ('to use'), the object of the latter being that set of interdependent subordinate values which, as they converge, continuously point to something higher - which is why these lower values of themselves cannot give us peace. Hence the great moral rule of Augustine: 'Solo Deo fruendum'; and this is the context in which we must read the great father's ethical views on property and ownership....

'Whence does anyone possess what he or she has? Is it not from human law? For by divine law, the earth and its fullness are the Lord's (cf. Psalm 23:1); the poor and the rich God has made from one mud, and the poor and the rich he sustains on one earth. Nevertheless, by human law, one says, "This estate is mine, this house is mine, this servant is mine." This is by human law therefore - by the law of the Emperors.

...But we possess many superfluous things, unless we keep only what is necessary. For if we seek useless things, nothing suffices.... Consider: not only do few things suffice for you, but God himself does not seek many things from you. Seek as much as he has given you, and from that take what suffices; other things, superfluous things, are the necessities of others. The superfluous things of the wealthy are the necessities of the poor. When superfluous things are possessed, others' property is possessed.'  
[-Augustine]

...Augustine lived in fourth-century Roman Africa, where the Roman law theory and practice of private property had led, quite naturally, to the possession by a very few persons of very great wealth, at the price of the dispossession and impoverishment of very many other persons. This theological giant of the patristic age saw the prevailing oppression, the blatant injustices perpetrated against the poor, as an assault on Christ: 'Christ says to you: Give to me from what I have given you.'

He saw that the poor are poor because they have been deprived by the propertied few of the wealth that should belong to all. And he laid the blame for this unjust situation squarely on the

doorstep of an absolutist and exclusivist legal right of private ownership. He argued that this legalized right was an affront, in theory and in practice, to the absolute dominion and paternal providence of the Creator, who had willed all of creation to be for all in common, according to each person's need, as a means toward our common goal in God, our Supreme Happiness, as we journey together through this life of pilgrimage.

He reminded his audience that they were all 'made from one mud' and sustained 'on one earth,' under the same natural conditions, having the same essence, and called to the same destiny.

He rejected the legalized status quo as inappropriate for human living. Holding that legal arrangements of property rights were of human origin, he asserted that they should be changed, in theory and in practice, in function of a faith-informed ethic based on the true meaning of ownership.

An exaggerated individualism distorts human wholeness. The communal purpose of nature's wealth is frustrated, as private ownership tends to deprive the many through the accumulation of that wealth in the hands of a few, inevitably leading to hatreds, dissension, murders, and wars. Augustine saw humanity as divided into warring groups by an absolutist concept of ownership that enabled a few to dispose of the resources of others through their private appropriation of what belonged to all.

Ownership arrangements should be made with a view to the proper use of goods and should preclude license or abuse. A person is owner only by participation in God's ownership, having received from God the goods of earth for use according to need. 'Gold and silver therefore belong to those who know how to use gold and silver.'

In fact, Augustine emphasizes over and over again, created goods must only be used, and not turned into idols, for they are but means on our journey toward the perfect and absolute Good.

In keeping with this philosophy of property, which he opposed to the prevalent exploitative concept, Augustine founded a number of monastic sharing-communities, as well as a number of almshouses to serve as an organized vehicle for the sharing of goods.

The revolution Augustine advocated in the concept and practice of ownership was not simply a revolution in the material conditions

of the poor, who were deprived of the wealth appropriated by a few. This was a part of his ethic, to be sure. But more significantly, he also underscored the importance of assuring each human person a life of dignity consonant with what he perceived as humanity's destiny - not the intermediate little destinies of various historical epochs, but the one permanently imbedded in a restless human nature, that could find its home and 'rest' only in eventual union with God, the Supreme Good.

This revolution, he emphasized, could be accomplished only by human beings who were capable and moral, committed to the proper use of created goods. Hence, we may conclude, it could be accomplished only by the abrogation of the prevailing, absolutist and exclusivist, Roman-law conception of private ownership.

**Isaiah 65:21**

They shall live in the houses they build, and eat the fruit of the vineyards they plant; they shall not build houses for others to live in, or plant for others to eat.

**Charles Avila - Ownership Early Christian Teaching, pp.151-5**

The fourth century of the Christian era is no more than a mere twenty-five human lifetimes away. But during those twenty-five human lifetimes humanity has seen many different forms and degrees of producing and reproducing its material life. These means have changed in so many ways - from oxen and primitive plows to tractors and combines, from carts and chariots to trains, jets, and space shuttles, from fragile parchments to sophisticated computers, from manual piecework to assembly lines, mechanization, and cybernetics.

With few exceptions, however, the relationships of production underlying these tremendous productive forces have remained basically the same as they were during the patristic period of the Roman Empire. In other words, through all the dramatic changes in the means of production, the substance of ownership has remained unchanged. For the most part, in fact, we in the last quarter of the twentieth century are still mired in the old Roman law theory and practice of ownership.

From primitive accumulation to the development of industrial capital, the evolution of private ownership itself has been an extensive process. But the process has been a continuous one, from the Roman **latifundia** to present-day monopoly-capital as exemplified in the global hegemony of transnational corporations.

First, non-owner worker producers were denied free access to the **koina**; then they were denied the product of their intellectual and physical energies; then they were denied the tools of their trade. Through those centuries, the original form of profit, which was rent on land, was compounded by other forms of surplus extraction from the non-owner workers. The stored-up labor of past worker generations became the property or capital of the heirs of the past owners. Together with the monopoly of the natural productive elements, "dead labor," labor as a thing, labor as property, became the chief means of expropriating the surplus labor power of the living persons who are workers. As owners of nothing, the latter could only sell their labor power as the price of material survival. Thus property accumulation by the owners increased, giving them even more power over the non-owner producers - a theme which became the subject of treatises by the political economists of the eighteenth, nineteenth, and twentieth centuries.

This accumulation of property or capital necessarily involved force - violence, enslavement, robbery, murder - exactly as Augustine of Hippo had said it would. It meant, as Ambrose saw, that a few would try to own the whole world themselves. And, as so many feared the new idolatry - the supremacy of Property or Capital - replaced people-to-people relationships with relationships between human being and things (commodities). Nature itself, as John Chrysostom intoned, was becoming indignant at being turned into property - used, abused, endlessly violated in the extraction of wealth by the insatiable avarice of owners whose total disregard for natural thresholds had become a threat to the very life of natural systems, indeed of the earth itself.

Thus an attack was mounted on the absolutist and exclusivist ideological conception of ownership as set forth in Roman law. The political and social form of the early Christian movement was really communism or socialism - communism (from the Latin **communis**, in Greek **koinos**) if you emphasize the common nature of property, socialism (from the Latin **socius**, in Greek **koinonos**) if you underscore the fellowship or community which common proprietorship furthered. Long before the twentieth-century status quo found an excuse in "atheistic materialism" for an attack on socialism, it was precisely the rejection of **koinonia**, or socialism, that Christianity had considered to be practically atheistic and idolatrous. However, the earliest Christian experiments in **koinonia** did not endure, because the first Christians were too few in number to bring about the

transformation of the socioeconomic system in which they lived..

But the spirit breathes where it wills, as Jesus said it would, and the message has been taken up and proclaimed again and again, by other prophets of other times and places, prophets as differently regarded by the institutional Churches as Thomas More and Karl Marx. Indeed, as humanity travels through the last part of the twentieth century, it seems to be becoming more and more aware of the danger that the logic of private property may lead the species, and planet Earth, to total destruction. There would thus seem to be no escaping the warning of these prophets through the centuries that the welfare of human *being* depends on the justice of human *having*.

The signs are clear now. The peasantries of the Third World seek liberation from landlordism and corporate farming. Urban factory workers seek a direct people's control of the means of production. Both of these sectors of the masses demand the kinds of tools that respect natural thresholds, or the balance of nature. People are weary of being reduced to the status of things, and will have liberation from all manner of slavery, even slavery with golden chains. Workers in industrial countries see only a difference of form and degree between their enslavement and that of the bonded laborers of India or the migrant workers of the Philippines. Nations look for liberation from the clutches of all manner of imperialism and neo-colonialism. In short, the Roman law theory and practice of ownership, which has formed the basis successively of the slave-owning, the feudal, the private capitalist, and the state capitalist economic systems, today is being rejected with increasing determination. The alternative ideal of a new dispensation based on a view of property as a means to the ends of **autarkeia** and **koinonia** is fast receiving a welcome from peoples, nations, and whole regions of the earth. Area by area - in agriculture, forestry, fisheries, industry, commerce, and the services, in the tools which produce both tangible commodities and intangible ones like education and health, and across the gamut of institutions fundamentally twisted and distorted by avarice - the unjust, obsolete concept of private property is being questioned and concrete alternatives are being explored.

Ever louder and clearer has the clamor become to establish a new economy of relative permanence - an economy whose foundation and goals rest upon activities generating goods and services essential to a life of human dignity, rather than one mainly



geared to the production of consumer commodities peripheral to human life or, worse still, to the destruction of life. Such a new economy, which would be totally involved with life-sustaining productivity, will be the only stable one. In fact, it will be as sound and strong as the undeniable aspiration of every man and woman for greater life and freedom.

Indeed the awareness is becoming more widespread that the physical and spiritual goods and services essential to life are more than mere fads, and therefore have a lasting urgency transcending all pressures and fluctuations, even those caused by natural catastrophes and the tragic foolishness of war. Hence, that economy alone will enjoy relative permanence which is based on the demand for life-sustaining productivity - an economy in which individual persons are allowed to achieve **autarkeia**, and in which society as a whole has become a **koinonia**, that is, a community of communities that is finally in charge of its own human destiny rather than being merely determined by the mad drive of exploitative property/capital toward limitless growth at whatever cost.

Justice will then be realized when humanity has effectively rejected the idolatry of property; and with justice, the exciting project of freedom and peace can have a realistic chance.

The Old Testament 'prophets of doom' were arrestingly optimistic, as were the Christian philosophers of the patristic age. Perhaps they deserve to be listened to, for perhaps indeed the people 'shall live in the houses they build, and eat of the fruit of the vineyards they plant' (Isaiah 65:21)

## **Pecuniary**

### **American Heritage Dictionary**

- adj. 1. Consisting of or pertaining to money: a pecuniary loss; pecuniary motives.
2. Requiring the payment of money: a pecuniary offense.

## **Physiocrats**

### **The Columbia Encyclopedia**

School of French thinkers in the 18th century who evolved the first complete system of economics. They were also referred to simply as "the economists" or "the sect." The founder and leader of physiocracy was Francois Quesnay. His most ardent disciple, Victor de Mirabeau, was the author of the physiocratic tax doctrine; Pierre Samuel Du Pont de Nemours and Mercier de la Riviere elaborated on Quesnay's and Mirabeau's ideas. Among the antecedents of physiocracy the single-tax schemes of the marquis de Vauban and the sieur de Boisguilbert and the free-trade ideas of Vincent de Gournay may be cited.

However, Quesnay's original contribution, and the basis of the doctrine, was the axiom that all wealth originated with the land and that agriculture alone could increase and multiply wealth. Industry and commerce, according to the physiocrats, were basically sterile and could not add to the wealth created by the land. They did not advocate that industry and commerce be neglected in favor of agriculture, but they tried to prove that no economy could be healthy unless agriculture were given the fullest opportunity. Agricultural methods had to be scientifically improved, and - above all - fair prices had to be maintained for agricultural production; according to Quesnay's maxim, only abundance combined with high prices could create prosperity. This could be obtained only if the "economic law," which the physiocrats envisaged as being immutable as the law of gravity, was allowed to act untrammelled. Absolute freedom of trade was necessary to stabilize prices at a fair level, and laissez faire was to restore the economic process to its natural course, from which all further benefits would flow.

To tax anything but the land was futile because only the land produced wealth and because manufacturers and traders pass their tax burden on to the farmer; only taxation at the very source of wealth was reasonable and economical - an argument not without charm for industrialists. However, the experiments of Baron Turgot and of Holy Roman Emperor Joseph II, both somewhat influenced by the physiocrats, were failures - in part because of the unfavorable conditions in which they were carried out.

Although physiocracy, because of its dogmatism, has become dead doctrine, it profoundly influenced Adam Smith (who even intended to dedicate his Wealth of Nations to Quesnay) and thus the entire

classical school of economists. Henry George virtually repeated the single-tax argument of Mirabeau. The physiocrats made no contribution to purely political thought except the idea of "legal despotism," by which the king and his government were to enforce the "economic laws of nature." Their fanaticism in economic doctrine was much ridiculed by their contemporaries, notably by Voltaire and by the Abbe Galiani.

### **"Capitalism," - Microsoft (R) Encarta.**

#### **The Physiocrats**

**Physiocracy** is the term applied to a school of economic thought that suggested the existence of a natural order in economics, one that does not require direction from the state for people to be prosperous. The leader of the physiocrats, the economist Francois Quesnay, set forth the basic principles in his **Tableau economique** (1758), in which he traced the flow of money and goods through the economy. Simply put, this flow was seen to be both circular and self-sustaining. More important, however, was that it rested on the division of society into three main classes: (1) The productive class was made up of those engaged in agriculture, fishing, and mining, representing one-half of the population. (2) The proprietary class consisted of landed proprietors and those supported by them, which amounted to one-quarter of the population. (3) The artisan, or sterile, class, made up of the rest of the population.

Quesnay's **Tableau** is significant because it expressed the belief that only the agricultural classes are capable of producing a surplus or net product, out of which the state either could find the capital to support an expansion of the flow of goods and money or could levy taxes to meet its needs. Other activities, such as manufacturing, were regarded as essentially sterile, because they did not produce new wealth but simply transformed or circulated the output of the productive class. It was this aspect of physiocratic thought that was turned against mercantilism. If industry did not create wealth, then it was futile for the state to try to enhance society's wealth by a detailed regulation and direction of economic activity.

## **Political Economy**

**Political Economy is the social science that studies the nature of wealth, including its production and distribution in society.**

### **The American Heritage Dictionary**

The science of economics.

### **Oxford Dictionary of Economics**

The original name of what is now known as economics. The name is still used by some economics departments. It can be argued that it is actually a better name for the subject, as it draws attention to the political motivation of economic policies: policy-makers and lobbyists are often more concerned with the income distribution than with the efficiency effects of policies.

### **The Penguin Dictionary of Economics**

[Included under Economics]. Political Economy, an early title for the subject, now sounds old-fashioned but usefully emphasizes the importance of choice between alternatives in economics which remains, despite continuing scientific progress, as much an art as a science.

### **Routledge Dictionary of Economics**

The term used for economics in the eighteenth and nineteenth centuries and revived in recent years to reflect a policy-oriented view of the subject. Liberal political economy was founded by Adam Smith and was concerned then with the art of managing public finances and the advising of statesmen on revenue maximization. **Schumpeter**, in his *History of Economic Analysis* defined it as 'an exposition of a comprehensive set of economic policies that its author advocates on the strength of certain unifying normative principles, such as the principles of economic liberalism [or] ...Socialism...' **Robbins** asserted that political economy is concerned with policy prescriptions. Today, this applied view of economics rejects the theory of perfect competition, criticizes the uncertainties of free enterprise and makes use of public policy theory.

**Positive economics**

**Bronfenbrenner, et al. - Economics, p.G-25**

The aspect of the discipline dealing with objective facts (what is) rather than value judgments and opinions (what ought to be).

## Poverty

### American Heritage Dictionary

- n.
1. The state or condition of being poor; lack of the means of providing material needs or comforts.
  2. Lack of something necessary or desirable; insufficiency; paucity.
  3. Deficiency in amount; scantiness.
  4. Unproductiveness; infertility.

### **Charles Avila - Ownership Early Christian Teaching, p.117**

What is the burden of poverty? Not having. What is the burden of riches? Having more than necessary...Bear with [the poor person the burden of] not having, and let him or her bear with you [the burden of] having more, so that your burden may be equal... The two of you are walking the way of God in the pilgrimage of this world. You are carrying great, superfluous provisions; but the other has no expenses... Do you not see how much you carry? Give something, then, to one who bears nothing and has nothing. You will help a companion, and you will relieve yourself of a burden. [-Augustine]

### **Marsilio Ficino - The Letters of Marsilio Ficino, Volume 2, Letter 29**

Now, I have often noticed that a person who depends on external things always lives a disturbed and anxious life and suffers many a disappointment, while the only person to live in peace and certainty is the one who leads a life based, not upon the passing show without, but upon the eternal within himself. The only person never to be poor is the one who looks for his reward not in the end-product but in the work itself, and the only person never to be affected by misfortune is the one who does not await an end after and beyond the beginning but establishes his own end in the beginning.

### **Henry George**

There is, in nature, no reason for poverty.

### **Leon MacLaren - Lecture Vol I, pp.81-82**

...You know, 'what I want' and 'what I don't want' will not change the laws of creation by a dot or a comma; that, too, is obvious. If 'I want something' and the laws of the creation do not, well you will go on wanting; and to go on wanting is called 'poverty', is it not? Is that right? Come on, be a little more forthcoming: is to go on wanting, poverty or not?

Yes. It is a state of want, is it not? Well, when you want something you are not going to get, you live in poverty. It is very simple, It is a nice game to play of course: you know, you want a million pounds this afternoon, you would like to have a beautiful wife, and she would like to have a handsome husband... there is no use wanting, that is to live in poverty.

**Leon MacLaren - Lecture Volume 4, pp. 25-7**

Question:

Sir, we get what we want, in a way; the problem is how can we learn to want the right things:

MacLaren:

By not wanting! You see a man who wants is in a kind of poverty, isn't he? 'Want' and 'poverty' are the same word, aren't they? Just put the two together: want and poverty! There is a story about that, I am sure you have heard it, about the great king who was marching with his army down the road to invade a neighboring kingdom, and of course the road had been cleared for him completely so that he and his army might advance...can't afford to have people littering the place when you are driving down with your tanks and your guns and all the rest of it...and there was a chap standing in the middle of the road, and they said: "What are you doing here?" "I am standing in the road," he said. "But don't you know the road must be clear?" He said: "Why?" He said: "The king is coming, the ruler of the whole place!" He said: "Is he? Tell him I am the emperor and I am staying here." And so he just stood there. Well, they did not know what to do with this chap, so the report went back down the line; then up rides and officer and says: "You cannot stay here: the king is coming, he must move through." And he said: "Tell the king I am the emperor, and he must make way for me." Well, this message went back and back and finally it reached the king; he was rather interested in who this ruffian was, so out he comes. And he rides up and he demands to know what this man is, he says: "I am the king here, I rule this country; what are you doing here?" He said: "Are you? Well, where are you going?" He said: "I am going to invade Such-and-such a country." He said: "Why?" He said: "I want to extend my territories." He said: "Oh, then you are a very poor man; I have got everything I could possibly desire, I am richer than you: I am the emperor and you are the king, so you make way for me." And the king did. He was in poverty. That is the Truth about want.

So the answer is: you do not have to want the right thing, you



just do not have to want. And the right thing is there all the time, this is the extraordinary thing; it has been there all the time, always has been there, and we wanted so many things that we missed it. The body will want, it will want food and rest and so on, well let it have it, you are not the body...but don't you want anything. Begin to get the sense of this: if you want, you are in poverty; when you cease wanting, you are rich; when there is nothing you could possibly want, well you are well off aren't you? So long as you want, then you are in poverty, and the more you want the worse it is! It sounds a riddle, it isn't really; discover that this is so. The more you want the poorer you are. It is like the man, he is a multimillionaire, he has got yachts and houses and cars and chauffeurs and cooks and the lot, and you meet this chap, he is in utter misery, and you say to him: "Is there anything you want?" He looks at you and says: "Peace!" How is that for poverty?

## **Presentation**

### **American Heritage Dictionary**

- n.
1.
    - a. The act of presenting or offering for acceptance or approval.
    - b. The state of being so presented.
  2. A performance, as of a drama.
  3. That which is presented, such as a gift.
  4.
    - a. A formal introduction.
    - b. A social debut.
  6. The process of offering for consideration.

### **Robert Heilbroner - Behind the Veil of Economics, p.189**

It is possible to present beliefs, no matter how passionately held, in a manner that weighs evidence, considers alternatives, and makes assertions as hypotheses, not dogma. Indeed, the strongest belief statements usually have this quality of modesty and diffidence, which immeasurably strengthens their plausibility.

### **Georgia Harkness - The Sources of Western Morality - p.188**

Is Plato's system built also on such a faith? One may doubt it. Human nature is so rooted and grounded in feeling that men will die for a great ideal, as Socrates did and some men do today. But men will not give up their goods, their wives, or their personal pursuits for the sake of a reasoned system of justice.

## Price

Price arises only on exchange and is all that is given, done or promised by one party in return for all that is given, done or promised by the other party.

### American Heritage Dictionary

- n.
1. The sum of money or goods asked or given for something.
  2. The cost at which something is obtained.
  3. The cost of bribing someone: *Every man has his price.*
  4. A reward offered for the capture or killing of a person.
  5. Value or worth: *"She is a pearl / Whose price hath launched above a thousand ships."* (Shakespeare).

**Synonyms:** price, charge, cost, expense, expenditure, outlay, fee.

These nouns apply to money or other valuable consideration, such as labor and time, asked for or spent in payment for goods or services or for attainment of desired conditions.

**Price** is the amount of money needed to purchase an object.

**Charge** is the sum asked for the rendering of a service.

**Cost**, a more inclusive term, generally applies to the total amount to be spent, including all prices and charges.

**Expense** suggests cost in aggregate or in relation to a larger allocation of funds.

**Expenditure** usually refers to the total of money, time, or effort actually involved, sometimes with the suggestion of detailed accounting.

**Outlay** refers to the act of spending money or to the total spent.

**Fee** is used specifically in connection with professional services.

## **Private Property**

### **Georgia Harkness - The Sources of Western Morality, p.21**

With the emergence of private property in the agricultural stage came a parallel development of stratification based on economic power. The small landowner was pushed under and the landed aristocrat increased both in opulence and arrogance. Agrarian societies are usually also military societies, military prowess being rewarded by large gifts or seizures of land. Power begets power, and the small landholder must struggle for his existence against the soldier tax collector.

All these developments were a gradual process, for in history there are few if any absolute beginnings. In general, primitive society is characterized by economic communism rather than by the private ownership which persistently bursts through it and by a relatively unstratified society within which social distinctions continually emerge to increase in virulence.

### **Henry George - Social problems, pp.203-5**

But, as a matter of fact, nothing is more repugnant to the natural perceptions of men than that land should be treated as subject to individual ownership, like things produced by labor. It is only among an insignificant fraction of the people who have lived on the earth that the idea that the earth itself could be made private property has ever obtained; nor has it ever obtained save as the result of a long course of usurpation, tyranny and fraud. This idea reached development among the Romans, whom it corrupted and destroyed..

What more preposterous than the treatment of land as individual property? In every essential land differs from those things which being the product of human labor are rightfully property. It is the creation of God; they are produced by man. It is fixed in quantity; they may be increased illimitably. It exists, though generations come and go; they in a little while decay and pass again into the elements. What more preposterous than that one tenant for a day of this rolling sphere should collect rent for it from his co-tenants, or sell to them for a price what was here ages before him and will be here ages after him?...It is a self-evident truth, as Thomas Jefferson said, that the earth belongs in usufruct to the living.

### **Henry George - Social Problems, pp.195-8**

Our fundamental mistake is in treating land as private property.

On this false basis modern civilization everywhere rests, and hence, as material progress goes on, is everywhere developing such monstrous inequalities in condition as must ultimately destroy it. As without land man cannot exist; as his very physical substance, and all that he can acquire or make, must be drawn from the land, the ownership of the land of a country is necessarily the ownership of the people of that country - involving their industrial, social and political subjection..

But it may be said, in asserting that where land is private property the benefit of industrial improvements goes ultimately to landowners, I ignore facts, and attribute to one principle more importance than is its due, since it is clear that a great deal of the increased wealth arising from modern improvements has not gone to the owners of land, but to capitalists, manufacturers, speculators, railroad-owners, and the holders of other monopolies than that of land..

In previous chapters I have given answers to all such objections; but to repeat in concise form, my reply is, that I do not ignore any of these things, but that they in no wise invalidate the self-evident principle that land being private property, the ultimate benefit of all improvements in production must go to the landowners. To say that if a man continues to play at rondo the table will ultimately get his money, is not to say that in the meantime he may not have his pocket picked. Let me illustrate:

Suppose an island, the soil of which is conceded to be the property of a few of the inhabitants. The rest of the inhabitants of this island must either hire land of these landowners, paying rent for it, or sell their labor to them, receiving wages. As population increases, the competition between the non-landowners for employment or the means of employment must increase rent and decrease wages until the non-landowners get merely a bare living, and the landholders get all the rest of the produce of the island. Now, suppose any improvement or invention made which will increase the efficiency of labor, it is manifest that, as soon as it becomes general, the competition between the non-landholders must give to the landholders all the benefit. No matter how great the improvement be, it can have but this ultimate result. If the improvements are so great that all the wealth the island can produce or that the landowners care for can be obtained with one-half the labor, they can let the other half of the laborers starve or evict them into the sea; or if they are pious people of the conventional

sort, who believe that God Almighty intended these laborers to live, though he did not provide any land for them to live on, they may support them as paupers or ship them off to some other country as the English government is shipping the 'surplus' Irishmen. But whether they let them die or keep them alive, they would have no use for them, and, if improvement still went on, they would have use for less and less of them.

This is the general principle.

**Henry George - Social Problems, p.218**

By making land private property, by permitting individuals to appropriate this fund which nature plainly intended for the use of all, we throw the children's bread to the dogs of Greed and Lust; we produce a primary inequality which gives rise in every direction to other tendencies to inequality; and from this perversion of the good gifts of the Creator, from this ignoring and defying of his social laws, there arise in the very heart of our civilization those horrible and monstrous things that betoken social putrefaction.

**Charles Avila - Ownership Early Christian Teaching, pp.119-22**

"And nevertheless Christ says to you: Give to me from what I have given you. For what did you bring when you came here? All that I have created, you found here when you yourself were created. You brought nothing, you shall take nothing hence. Then why do you not give to me from what is mine? You are full, and the poor person is empty. Consider your origins: both of you were born naked. And you, therefore, you were born naked. You have found many things here - did you bring anything with you?

...Those who wish to make room for the Lord must find pleasure not in private, but in common property...Redouble your charity. For, on account of the things which each one of us possesses singly, wars exist, hatreds, discords, strife among human beings, tumults, dissension, scandals, sins, injustices, and murders. On what account? On account of those things which each of us possesses singly. Do we fight over the things we possess in common? We inhale this air in common with others, we all see the sun in common.

Blessed therefore are those who make room for the Lord, so as not to take pleasure in private property." [-Augustine]

...The institution of private property was legalized by Roman law

and socially accepted as a legitimate approach to the use of the earth's goods. Augustine, however, rejects this institution as undesirable and dangerous. In his view, private property is the chief enemy of peace. Wars and discords, injustices and murders, are caused by private property. 'Do we fight over the things we possess in common?' he asks.

Augustine also warns that private property occasions an unrealistic, prideful bloating of the self: "The flesh of the rich person pushes out against the flesh of the poor person - as if that [rich] flesh had brought anything with it when it was born, or will take anything with it when it dies."

Private property tends to lead one's consciousness away from the conception of worldly goods as family goods. They all belong to God primarily, and only in a subsidiary way to us: "Give to me from what I have given to you...Why do you not give to me from what is mine?"

Further, far from fostering community, private property tends to destroy it. It tends to make relationships of love among people more difficult and to promote an individualism that insists on keeping excessive wealth for itself - inevitably frustrating the original intention of the Creator that material goods be communal. Thus Augustine clearly favors the disappearance of private property as an institution in order to make room for communal ownership arrangements.

And yet, even while condemning private property as such, Augustine issues no blanket condemnation of proprietors who recognize that their private ownership of goods is an opportunity for them to restore to others what the Supreme Owner intended everyone to have in the first place. It seems to us that this forbearance on his part stems from his realization that, evidently, private property arrangements cannot be expected to disappear overnight. Augustine thus accommodates those transitional owners "who have given as it has been given, and forgiven as they have been forgiven." The urgent thing to discard, for Augustine, is the absolutist and exclusivist Roman law idea of ownership, because it legalizes not the proper use but rather the abuse of property.

"Some men make evil use of these things, and others make good use. And the man who makes evil use clings to them with love and is entangled by them, that is, he becomes

subject to those things which ought to be subject to him, and creates for himself goods whose right and proper use require that he himself be good; [however, one] must be ready to possess and control them....Since this is so, you do not think, do you, that silver or gold should be blamed because of greedy men, or food and wine because of gluttons and drunkards, or womanly beauty because of adulterers and fornicators?" [-Augustine]

The abuse of property, as encouraged by the prevailing Roman law idea and practice of private ownership, tends to inhibit an appreciation of the splendor of nature's wealth. Now that wealth becomes the object of a **frui**, and thereby the occasion of self-infatuation or pride. With the accumulation of excessive wealth through private property, owners sought to satisfy useless "needs", and this placed them in a new dependence. Private ownership then tended to erase true ownership - the proper possession and control of property. Thus, while refraining from a blanket condemnation of proprietors, and surely from one of wealth per se, neither, clearly, does Augustine hold any ethical basis for private ownership per se.

**Charles Avilla - Ownership Early Christian Teaching, pp.144-6**

"There is, if I may say so," Ambrose declares, "a law of nature that one should seek only what suffices..." Clement of Alexandria, a good century-and-a-half before, had already given a name to this terminal limit. He called it **autarkeia**. 'All property,' Clement had said, "is ours to use and every possession is for the sake of self-sufficiency (**autarkeia**), which anyone can acquire by a few things." Property is a means to the relative end of self-sufficiency and self-reliance which keeps one from being a perpetual burden to others. One achieves a degree of self-determination - one becomes relatively self-insured, so to speak, and thereby morally independent, so as to be free for service to others. **Autarkeia** denotes a standard of living that enables one to live a life consonant with human dignity... "Seek sufficiency, seek what is enough, and more do not seek." Indeed, "if we seek useless things, nothing suffices." [-Augustine]

However, the purpose of property, and of wealth, is not only to achieve individual **autarkeia**, but also to attain **koinonia**, the equal fellowship that abolishes the differentiation between the few rich who live in luxury and, in the words of Clement, "the many who labor in poverty." Patristic thought considered the individual person essentially social. An individual who in no



sense lives in society is not truly living at all. In a fundamental sense, it is our relationship with one another that makes us human. "It is God Himself," says Clement, "who has brought our race to a **koinonia**, by sharing Himself, first of all, and by sending His Word to all alike, and by making all things for all. Therefore everything is common, and the rich should not grasp a greater share." Or, as Augustine would later say, the wealthy should certainly not be wealthy at the expense of others being poor. In his view, nothing could be more unjust, divisive, and thus destructive of **koinonia**, than that.

This is the fundamental reason why patristic thought rejected private property: it essentially attacked the social nature of the human being and the personalist character of social relations. The fathers viewed material things as essentially a means of fostering living community. Instead, however, private property had only imposed the impersonal character of things themselves on social relations, especially between owners and those whom the owners excluded from their wealth. Thus, in order to cement **koinonia**, people would now have to renounce their private ownership of the natural productive elements so that all could share them in common. Their monopoly was no longer to be permitted. If the owners were to have the will, they could help restore the true essence of ownership under God, the one Absolute Owner and Lord.

But realistically, private property was too great a temptation. In fact, not only the upper class landlords themselves, but also the up-and-coming have-a-little were going to dislike such a "new" style of ownership - **koinonia**, this "new" way of using and producing the wealth that all people needed equally.

## **Problem**

### **American Heritage Dictionary**

- n.
1. A question or situation that presents uncertainty, perplexity, or difficulty.
  2. A person who is difficult to deal with.
  3. A question put forward for consideration, discussion, or solution.

### **David Ricardo - The Principles of Political Economy and Taxation, p. 3**

The produce of the earth - all that is derived from its surface by the united application of labour, machinery, and capital, is divided among three classes of the community, namely, the proprietor of the land, the owner of the stock or capital necessary for its cultivation, and the laborers by whose industry it is cultivated.

But in different stages of society, the proportions of the whole produce of the earth which will be allotted to each of these classes, under the names of rent, profit, and wages, will be essentially different; depending mainly on the actual fertility of the soil, on the accumulation of capital and population, and on the skill, ingenuity, and instruments employed in agriculture.

To determine the laws which regulate this distribution is the principal problem in Political Economy; much as the science has been improved by the writings of Turgot, Stuart, Say, Sismondi, and others, they afford very little satisfactory information respecting the natural course of rent, profit, and wages."

### **Henry George - Social Problems, p.201**

Let me not be misunderstood. I do not say that in the recognition of the equal and unalienable right of each human being to the natural elements from which life must be supported and wants satisfied, lies the solution of all social problems. I fully recognize the fact that even after we do this, much will remain to do. We might recognize the equal right to land, and yet tyranny and spoliation be continued. But whatever else we do, so long as we fail to recognize the equal right to the elements of nature, nothing will avail to remedy that unnatural inequality in the distribution of wealth which is fraught with so much evil and danger. Reform as we may, until we make this fundamental reform our material progress can but tend to differentiate our people into the monstrously rich and the

frightfully poor. Whatever be the increase of wealth, the masses will still be ground toward the point of bare subsistence - we must still have our great criminal classes, our paupers and our tramps, men and women driven to degradation and desperation from inability to make an honest living.

## **Production**

### **American Heritage Dictionary**

- n.
1. The act or process of producing.
  2. The creation of value or wealth by producing goods and services.
  3. Something produced; a product.
  4. The total number of products; output.

### **Henry George - The Condition of Labor, p.26**

As a producer, man is merely a changer, not a creator; God alone creates.

## **Productivity**

**Bob Woodward - Maestro [Glossary], p.394**

Output per worker per hour.

**Bob Woodward - Maestro, p.227-8**

Greenspan made his speaking rounds to business groups, including the Business Council.

We cannot raise prices, CEO after CEO told him. Many had tried and been cut down by their competitors.

What do you mean, you're having problems? Greenspan pressed one group at his table. Profit margins are going up. Stop complaining.

The CEOs explained that their competition would invest in new technology, bring their costs down and then bring their prices down, grabbing market share.

Greenspan suspected that it was productivity growth again. In the real world, productivity, the measure of how much a worker produced in an hour, was obviously shooting up. But the methods of measuring it and the habits of economists who insisted on years and years of data before reaching even a tentative conclusion were keeping the world from learning of a potentially stunning change.

## **Profit**

**The excess of income over expenditure.**

### **American Heritage Dictionary**

- n.
1. An advantageous gain or return; benefit.
  2. The return received on a business undertaking after all operating expenses have been met.
  3. Often plural
    - a. The return received on an investment after all charges have been paid.
    - b. The rate of increase in the net worth of a business enterprise in a given accounting period.
    - c. Income received from investments or property.
    - d. The amount received for a commodity or service in excess of the original cost.

### **The Columbia Encyclopedia**

Profit, in economics, return on capital, also called earnings.

Classical economics distinguishes between various kinds of profit: that of the entrepreneur, as remuneration for management and risk taking; that of the capitalist, in the form of interest; and that of the landlord, in the form of rent.

In accounting, gross profit is the difference between the value of sales and the cost of goods sold; net profit is gross profit minus all other expenses, including taxes.

With the development of the corporation, profits are divided between dividends to the holders of stock, and investment and depreciation funds in control of hired managers.

Profit is often considered to be the major incentive for production in a capitalist economy, although with the decline of the entrepreneur and the rise of a salaried managerial class, it has become less personal and more institutional in character.

### **Robert Heilbroner - The Worldly Philosophers, pp.24-5**

It may strike us as odd that the idea of gain is a relatively modern one; we are schooled to believe that man is essentially an

acquisitive creature and that left to himself he will behave as any self-respecting businessman would. The profit motive, we are constantly being told, is as old as man himself.

But it is not. The profit motive as we know it is only as old as "modern man." Even today the notion of gain for gain's sake is foreign to a large portion of the world's population, and it has been conspicuous by its absence over most of recorded history. Sir William Petty, an astonishing seventeenth-century character (who was in his lifetime cabin boy, hawker, clothier, physician, professor of music, and founder of a school named Political Arithmetick), claimed that when wages were good, labor was "scarce to be had at all, so licentious are they who labor only to eat, or rather to drink." And Sir William was not merely venting the bourgeois prejudices of his day. He was observing a fact that can still be remarked among the non-industrialized peoples of the world: a raw working force, unused to wage-work, uncomfortable in factory life, unschooled to the idea of an ever-rising standard of living, will not work harder if wages rise; it will simply take more time off. The idea of gain, the idea that each working person not only may, but should, constantly strive to better his or her material lot, is an idea that was quite foreign to the great lower and middle strata of Egyptian, Greek, Roman, and medieval cultures, only scattered throughout Renaissance and Reformation times; and largely absent in the majority of Eastern civilizations. As a ubiquitous characteristic of society, it is as modern an invention as printing.

**Sri Nisargadatta Maharaj - I Am That, p.146**

Nothing profits the world as much as the abandoning of profits. A man who no longer thinks in terms of loss and gain is the truly non-violent man, for he is beyond all conflict.

**Anonymous**

Once, the celebrated Japanese haiku poet, Issa, was seriously ill and despaired of recovering. However, health slowly returned and he was able to welcome another spring. In his delight, he wrote:

Spring is on its way  
And for me now every day  
Is pure profit

## **Progress**

### **American Heritage Dictionary**

- n.
1. Movement toward a goal.
  2. Development, unfolding.
  3. Steady improvement, as of a society or civilization.

### **Henry George - Social Problems, p.191-2**

The natural progress of the social development is unmistakably toward cooperation, or, if the word be preferred, toward socialism, though I dislike to use a word to which such various and vague meanings are attached. Civilization is the art of living together in closer relations. That mankind should dwell together in unity is the evident intent of the Divine mind, - of that Will expressed in the immutable law of the physical and moral universe which reward obedience and punish disobedience. The dangers which menace modern society are but the reverse of blessings which modern society may grasp. The concentration that is going on in all branches of industry is a necessary tendency of our advance in the material arts. It is not in itself an evil. If in anything its results are evil, it is simply because of our bad social adjustments. The construction of this world in which we find ourselves is such that a thousand men working together can produce many times more than the same thousand men working singly. But this does not make it necessary that the nine hundred and ninety-nine must be the virtual slaves of the one.

Let me repeat it, though again and again, for it is, it seem to me, the great lesson which existing social facts impress upon him who studies them, and that it is all important that we should heed: The natural laws which permit of social advance, require that advance to be intellectual and moral as well as material. The natural laws which give us the steamship, the locomotive, the telegraph, the printing-press, and all the thousand inventions by which our mastery over matter and material conditions is increased, *require* greater social intelligence and a higher standard of social morals. Especially do they make more and more imperative that justice between man and man which demands the recognition of the equality of natural rights.

"Seek first the kingdom of God and his righteousness [right or just doing] and all these things shall be added unto you." The first step toward a natural and healthy organization of society



is to secure to all men their natural, equal and unalienable rights in the material universe. To do this is not to do everything that may be necessary; but it is to make all else easier. And unless we do this nothing else will avail.

**Leon MacLaren - The Nature of Society, p.4**

In all the material achievements of this age, the principles of progress are the same. First comes the patient search to discover the ways of nature, then the building of machines or the planning of processes in conformity with natural law so that the powerful and consistent forces of nature could work for the gratification of men's desires.

## **Proletariat**

### **American Heritage Dictionary**

- n. 1. a. The class of industrial wage earners who, possessing neither capital nor production means, must earn their living from their labor power.
- b. The poorest class of working people.
2. The non-possessing class of ancient Rome constituting the lowest class of citizens.

### **Bronfenbrenner, et al. - Economics, p.G-26**

A term used by Karl Marx to refer to the working class, which would come to power after the socialist revolution.

## Property

### American Heritage Dictionary

- n.
1. Ownership.
  2. A possession, or possessions collectively.
  3. Something tangible or intangible to which its owner has legal title.
  - 5a. A characteristic trait or peculiarity.
  - 5b. A special capability or power, virtue.
  - 5c. A quality serving to define or describe an object or substance.
  - 5d. A characteristic attribute possessed by all members of a class.
  - 5e. Logic. A predicable that is common and peculiar to the whole of a species and is necessarily predicated of its essence without being part of that essence.

### **Richard Noyes - Now the Synthesis "Dialectics and the Millennium: Emergence of the Synthesis", pp.26-8, 30-1**

Locke's Second Treatise was almost as familiar to the founding fathers as the Bible. Each had his copy and knew it well. The Second Treatise grew out of the public dialogue of Locke's day, an exchange of views which hypothesized the free individual and which identified the role of property as a crucial element of that freedom.

Locke's thinking started with a 'state of nature,' which was made to seem real by the discovery of an apparently unsettled continent ready to be explored across the ocean to the west. His thesis boils down to the idea that a social contract is necessary to harmonize relations among individuals rising out of that state of nature. 'The great and chief end, therefore, of men's uniting into commonwealths, and putting themselves under government, is the preservation of their property; with life and one's whole self being a part of one's property. Only through the guarantee of property rights could the individual really be free.

So the dialectic which followed can be reduced to this. Individual liberty entails property rights. These rights made possible a level of prosperity which had never existed before. But this liberty (as written in the contract) was not available to everyone. Some were condemned to lifelong poverty. Marx's antithesis turned on the argument that the whole concept was wrong. There could be no such thing as property, because some

people abuse it (or use it to abuse) and anyway the individual was subordinate to society.

Henry George resolved these contradictions with a sophisticated solution which, because of its uniqueness in the history of ideas, justifies our claim to represent it as a synthesis. George realized that there were two kinds of property (beyond one's self), and thus two kinds of property rights. In his view the distinction was essential if we are to secure either one. It was through this deeper appreciation of property rights that the appropriate reforms could be formulated and implemented.

The flaw in Locke's reasoning, the root of so much trouble, is to be found in the section headed 'Of Property.' There, he readily concedes that God 'hath given the world to men in common.' God did not give us the world merely to admire. He gave it to us to use, including all the 'fruit or venison' and other such goods as were to be found there. In the course of taking them, a person mixed his labor with them and made those goods his property. George agreed with Locke: the foundation of an individual's property rights was the fact that 'every man has a "property" in his own "person"', so that anything a man has 'removed from the common state,' anything with which he has 'mixed his own labour', rightfully belongs to him. The duty of government is to secure that right.

Locke's first examples were acorns and apples, deer and the hare, all of which once captured and held over time may spoil. That was the first fact of life that gave rise to a qualification, or provision: the first of what have been called Locke's two provisos. He held that a man could mix his labor with these things and make them his own, provided he did not claim so many that they would spoil.

Locke understood, and George reminds us in the synthesis, that such improvements as one can make by mixing labor with the natural thing are only one kind of property: 'The chief matter of property being now not the fruits of the earth and the beasts that subsist on it, but the earth itself.'

The earth does not spoil, but it has another little problem. It is limited: fixed in quantity. As Will Rogers has put it: they aren't making land any more. Locke had no quick answer for that one. He was just as sure the earth was there to be used as was the hare and the apple, so it was not acceptable even in a state

of nature for vacant land to be left idle while people had unmet needs. At this point he developed the second proviso: it was all right for the individual in a state of nature to mix his labor with land and so call it his own, *'since there was still enough and as good left, and more than the yet unprovided could use.'*

There is the rub. Locke's reason began to mislead him because he failed to think through the problem. The fact that there is not 'enough and as good' of the earth and its fullness for the unprovided is what creates the proletariat. It was the dilemma which troubled Tiberius Gracchus, the one which angered Marx. In the 1930's it is what led to so many unemployed people that a welfare state had to be created in the United States, 'the land of the free.' These days, it has led to the homeless, the street people, food stamps.

Locke (writing in secret, because there was civil strife and he could not be sure of the outcome) moved on within a few pages in the Second Treatise, inching his way down the course of human events, to the invention of money. Money took care of the first proviso: spoilage. The individual who was better able than others to pick up acorns and catch the hares could do so and sell them to someone else for money before they spoiled. Locke did not explain how money could be used to resolve the problem with the second proviso. Even in his day there was no longer 'enough and as good' left for the unprovided. With an expanding population the crisis would inevitably intensify. That is the heart of our problem today. Unused land, being scarce, is available only at a premium which few can afford.

Locke failed to think through the inexorable course of history to the situation in which an expanding population and the favored system of land tenure would leave an army of people unprovided with 'enough and as good'. The ancient word, proletariat, came once again into common usage. The failure of Locke's followers, down through the years, to heed the plight of the unfree (who did not own property), served to deepen the economic trauma in which progress and poverty were handmaidens, leading to grinding poverty which the industrial revolution intensified. Enter Marx and those who shared his indignation. It was the visible injustice which drove them and fueled the antithesis which captured half the world until the last months of 1989. Hungry, compassionate people struggled to make socialism work, because there had to be an answer, and, until experience became 'our only guide', the possibility remained as the dream of so many that

socialism might be the viable answer.

The truth with which we are faced now is that socialism has not worked: attention has shifted back to the thesis. But doubt and uncertainty also surround the founders' prototype model of free enterprise, giving rise once again to genuine thought. It is the contention in this book that doubt will drive us, in our restless search for the relief and comfort of new belief, to take yet another look at Locke's unresolved second proviso.

...James Madison, often called the Father of the American Constitution, is another historical midwife who clearly saw the significance of the dilemma foreshadowed in the unresolved second Lockean proviso: the fact that, with the passage of time, more and more people would be marooned on the face of Earth without 'enough and as good'. He said little about it during the Constitutional Convention at Philadelphia, there being so many other fine points to be debated. He did take the floor to talk about it on Tuesday, August 7, 1787, when the issue was suffrage. Recording his comments in his Notes, referring to himself in the third person, Madison set out his concerns.

Whether the Constitutional qualification (for voting) ought to be a freehold, would with him depend on the probable reception such a change would meet with in the States where the right is now exercised by every description of people. In several of the States a freehold was now the qualification. Viewing the subject in its merits alone, the freeholders of the Country would be the safest depositories of Republican liberty. In future times a great majority of the people will not only be without land, but any other sort of property. These will either combine under the influence of their common situation, in which case the rights of property and the public liberty will not be secure in their hands: or, which is more probable, they will become the tools of opulence and ambition, in which case there will be equal danger on another side.

All too few of the delegates at Philadelphia had the inclination to be concerned with the Lockean proviso. Many of them were land speculators and proud of it. There was surely 'enough' land left on the continent, certainly land that was 'as good' as anything which had yet been claimed, probably some that was even better. But Madison, adopting a longer time horizon, correctly calculated the outcome. The 'free' land would eventually be appropriated by

new owners. Some people would be left without land - the proletariat - which threatened the 'more perfect Union' which the delegates were trying to establish.

This struggle between those who owned land and those who did not is one of the great threads that bind the continuity of American history. Jefferson wanted land ownership to be the basis of society, but he saw that government would then have a responsibility to see that every family owned land. Where vacant land and property existed together, he knew, the natural right of all men to own land was out of adjustment. The Louisiana Purchase helped, as did the gradual opening up of the continent, but even in their presidencies Madison and Jefferson both knew that the amount of free land was finite. Horace Greeley's advice to 'go west, young man,' George Evans's claims in the Workingman's Advocate that land monopoly was the root cause of poverty and inequality, George Washington Julian's fight for the Homestead Act, the railroad, grants, the post-Civil War calls for 'forty acres and a mule,' and Frederick Jackson Turner's frontier thesis, the early statements of which were based in no small part on the writings of Henry George: all these elements are facets of the ongoing struggle Madison foresaw.

Finally, in 1829, when Madison was back home at Montpelier, and his home state of Virginia was examining once again its own Constitution, the aging statesman wrote some notes which take up nine pages of the Letters of Madison published in 1865.

"The United States have not reached the state of society in which conflicting feelings of the class with, and the class without property, have the operation natural to them in countries fully peopled," he realized, as the young country continued to expand westward. The continent had not yet been filled up. But it must inevitably happen.

And whenever the majority shall be without landed or other equivalent property, and without the means or hopes of acquiring it, what is to secure the rights of property against the danger of an equality and universality of suffrage, vesting complete power over property in hands without a share in it; not to speak of danger in the meantime from a dependence of an increasing number on the wealth of a few?

**Kenneth Lux - Adam Smith's Mistake, pp.171-2**

...Enclosure constituted a robbery because the poor in feudal

society also had their property rights, even though they were not as explicit as the property rights of the nobility. The nobles' right of land proprietorship included the peasants' right of land tenancy and livelihood. These implied land rights of the peasantry were torn asunder by enclosure, thus creating for the first time in English history the condition of pauperism, or poverty. It is in this sense that poverty can be seen as a modern condition. Thus, when Elizabeth completed her tour of England at the end of the sixteenth century and saw "paupers everywhere!" she may not have fully appreciated how her father, King Henry VIII, through his policy of estate confiscation, had contributed to that condition.

The Frenchman Pierre Joseph Proudhon, responding to similar historical conditions in his country, and disappointed by the failures of reform of the Revolution of 1789, wrote an essay in 1840 whose title asked the question "What is Property?" His famous answer was that "property is theft." Proudhon's apparent radicalism attracted the interest of Marx and Engels for a while. But when they found that Proudhon's position was based on ethical principles rather than those of the 'material laws of social motion,' and that he condemned communism, they abandoned him in acrimonious dismissal and wrote a book against him: The Poverty of Philosophy. Similarly, on the right the advocates of privilege have painted Proudhon's message as standing against *personal* property, such as one's house, garden, or even toothbrush. They do not see that Proudhon's criticism was actually of the denial of the right to *have* personal property, namely the right to be economically productive and to survive. Living in a largely agrarian age, Proudhon focused on land and believed that ownership, rather than tenancy, of land was wrong, and that that was what made for poverty.

**Leon MacLaren - The Nature of Society, pp. 114-15, 118-20**

The question which is about to be considered is a moral question and presents itself at this stage of the inquiry in this way: What right has a man to the wealth he received? The conclusions to be reached upon such an investigation must, if they are correct, harmonize in every respect with those in the study of the natural forces governing the distribution of wealth. If they do not, then one or other must be wrong. The discussion of this new matter will not merely carry this study forward in an important respect but will at the same time put the conclusions reached in the previous chapters to a very severe test.



It is often said that economics has nothing to do with morals. That is an excuse for bad economics. Economics is the study of the forces governing the relations between men in society, and in such a study morality plays a very high part. It is not sufficient to ask, How does it work? It must be inquired further, How should it work?

Every right implies a corresponding duty. Thus, if one has a right to a house, all others have a duty to respect that right. Without the duty, no right could exist. Indeed, men's rights are best secured by enforcing their duties; for example, to say that each has a right to come and go on the king's highway would be idle indeed were not everyone under duty not to interfere with its use by others. The enforcement of the duty effectively secures the right.

Property is a right - a right to a thing. Property is an idea; that is all. If two litigants come before a judge each claiming that a table is his, the question the judge had to decide is a question of property: Whose property is the table? Now clearly the table itself is not property and the dispute is not about the table, for all will concede that it is made of wood and stands upon its legs. The question in dispute is, Who has a right to the table? So far as the Court is concerned it will be of no consequence whether the object of the right is a table, a motorcar, or a pet elephant. It is not concerned with the thing claimed but with the claim itself. Property is not a tangible thing which can be weighed and measured. Men have come to speak of land and buildings as property, but to say that a house is private property is simply to say that someone has a right to it. In answering the question what right has a man to the wealth which he receives, therefore, the question at issue is one of property.

Clearly, the most fundamental right a man can have is the right to live. By "live" is not meant holding body and soul together, but the opportunity to develop oneself and one's talents to the full. This right is equal in all. The consequence is that everyone has a duty to respect this fundamental right in others and whoever offends against this right acts in breach of his duty...

The full use of the gifts which have been granted to man are one of the essentials of real progress and the man who does not exercise and expand them does not understand what living means. A

right to live is precisely the right in every individual, equally with everyone else, to select his own objectives in life and to pursue them in his own way, provided always that in so doing he does not hamper others in the exercise of their equal rights.

Now clearly, if an equal right to live means anything at all, it means that every man has an equal right to those things freely supplied by nature without which he cannot live - to the natural resources of the universe. To deny a man this is to deny him his right to live at all, for without access to land man must perish. From this it further follows that everyone has a duty to respect this right. The man who claims, "This land is mine", acts in breach of this duty. Private property in land is against the moral law.

However, bounteous as land is, it will not feed, clothe or shelter a man for a day unless he works. This being so, it is wrong that any able-bodied man should live upon the work of another. Put into a positive form, every man has an absolute individual right to the full product of his labor, subject only to the claims of those unable to work.

Thus the second principle which emerges so swiftly from the fundamental right to live is the principle that a man shall live by his own labor and not by the labor of others. So long as men obtain wealth without working for it, then others are working, at least in part, for no return. All wealth must be produced by someone.

Once the right to the full product of his own labor has been acquired, a man may do with it as he pleases. He may sell or bequeath it, and pass a good title to anyone he chooses. In the first instance, however, the right must have been created by a man's work. This is the root of the title, and every dealing in the commodity subsequent to its first creation must have been freely made and not secured by fraud, stealth or duress.

It is idle, however, to say that a man has a right to the full product of his labor, unless he is assured of equal access to land with every other man. Here appears a contradiction which has caused much of the idle dispute between conservative and socialist. If a man is to be secure in the products of his labor, he must occupy a piece of land, whether it be room for his house and garden, room for his office or factory bench, or room for his crops. Every man in his work takes up space which he must of

necessity use to the exclusion of others. To say, therefore, that every man has an equal right of access to land is as much as to say that a man has a right of exclusive possession of a piece of land. This at first sight seems to contradict the proposition that private property in land is immoral.

As usual, however, the contradiction disappears upon closer observation. It is commonly to be seen that one man owns the land whereas another uses it. The benefit which accrues to the owner as such is, firstly, to receive the rent and secondly to recover possession of the land at the end of the tenancy in good condition. The tenant who pays the full rent of his holding to another and maintains the land in good condition is admitting the full ownership to be vested in the other, and yet is enjoying full access to the land. Clearly, therefore, if every landholder were to yield the full rent of his land to a common fund divisible equally amongst all men, and if, further, he maintained the land in good condition, then he would be admitting the full ownership to be vested equally in all.

The enforcement of these duties against every landowner, to pay the full rent to a communal fund and to maintain the land in good condition, would not merely secure the equal rights of all to the land, but would further secure to each man an equal right of access to the land.

**Swami Rama Tirtha - In Woods of God Realization, Part VIII, pp. 12-13**

What is *property*?

That which is *proper* to one or *right* for a being (or thing).

Inherent lightness, combustibility, etc., are the properties of Hydrogen but the glass which holds the gas can never be its property. So, manhood, nay, Godhead is your property, but the house in which you live or jewelry can never be your property. People are willing to lose their birthright, their natural Property - Godhead, but how persistently they make fun of themselves by tenaciously clinging to house, gold, and the like regarding these as their property! What a huge joke!

...Rama proclaims by this that the only veil or hindrance to the realization of Self is the usual sense of property, the rights of bundles and baggage. The very moment we want to possess a thing,

possessed we are by the demon of Self-delusion.

**Eesha Upanishad**

Whatever lives is full of the Lord. Claim nothing; enjoy, do not covet His property.

## **Rackrent**

### **American Heritage Dictionary**

n. Exorbitant rent.

tr.v. To exact exorbitant rent for or from.

## **Raw materials**

Natural resources to which labor has been applied and value added but are not yet the final product.

Natural resources that are in the process of being transformed into wealth.

## **American Heritage Dictionary**

1.Unprocessed natural products used in manufacture.

2.Unprocessed data of any kind.

## **Reason**

### **American Heritage Dictionary**

- n.
1. The basis or motive for an action, decision, or conviction.
  2. A declaration made to explain or justify an action, decision, or conviction.
  3. An underlying fact or cause that provides logical sense for a premise or occurrence.
  4. The capacity for rational thought, inference, or discrimination.
  5. Good judgment; sound sense; intelligence.
  6. Normal mental state; sanity.

Synonyms: **Reason** in this comparison is the intellectual process of seeking truth or knowledge by inferring from either fact or logic.

**Intuition** is instinctive knowing or perception without reference to the rational process.

**Understanding** is the apprehension or comprehension of knowledge resulting from reason or thinking.

**Discernment** is the faculty of discrimination, often through selection, what is apprehensible, relevant, or worthwhile.

**Judgment** is the faculty of making sound conclusions.

### **Economics I, 1, pp.7-8**

The dictum that truth and simplicity stand together will guide us throughout the course. It does not imply that the truth about economics is vague or that simplicity is partial.

To say that truth and simplicity stand together is to make an immediate appeal to the reasoning faculty in each of us, and reason is ever quick to relate the part to the whole.

Reason detects an ordered relationship where unreason only sees division and conflict. For example, the true interests of a family cannot conflict with the true interests of a community because the community embraces, and is made up of, the family. If reason is denied, order gives way to confusion and conflict. Thus the power of reason is to relate the part to the whole."

### **Henry George - Progress and Poverty, pp.26-7**

But the fundamental truth, that in all economic reasoning must be firmly grasped, and never let go, is that society in its most

highly developed form is but an elaboration of society in its rudest beginnings, and that principles obvious in the simpler relations of men are merely disguised and not abrogated or reversed by the more intricate relations that result from the division of labor and the use of complex tools and methods. The steam grist mill, with its complicated machinery exhibiting every diversity of motion, is simply what the rude stone mortar dug up from an ancient river bed was in its day - an instrument for grinding corn. And every man engaged in it, whether tossing wood into the furnace, running the engine, dressing stones, printing sacks or keeping books, is really devoting his labor to the same purpose that the prehistoric savage did when he used his mortar - the preparation of grain for human food.



## **Redistribute**

### **American Heritage Dictionary**

tr.v. To distribute again in a different way; reallocate.

### **Bob Woodward - Maestro, p.355**

Greenspan did not believe in short-term compassion. Redistributing \$1 trillion from the 225 richest to the 3 billion poorest would not achieve much in the long run. In reality, those 3 billion people live on an average of less than \$2 a day; the \$1 trillion could provide them an additional \$1 a day for a year. But Greenspan believed that only structural change, capitalism, the rule of law and the creation of private property ownership would lift up the world's poor. Endeavors to help those living at the Malthusian levels of survival were often counterproductive, creating longer-term problems. He did not share all his thoughts with the committee.

## **Reform**

### **American Heritage Dictionary**

- v. 1. To improve by alteration, correction of error, or removal of defects.
2. To abolish abuse or malpractice in.
3. To cause (a person) to abandon irresponsible or immoral practices.
- n. 1. A change for the better; a correction of evils or abuses.
2. A movement that attempts to institute improved social and political conditions without revolutionary change.
3. Moral improvement.

### **Henry George - Social Problems, p.209**

Practically, then, the greatest, the most fundamental of all reforms, the reform which will make all other reforms easier, and without which no other reform will avail, is to be reached by concentrating all taxation into a tax upon the value of land, and making that heavy enough to take as near as may be the whole ground-rent for common purposes.

To those who have never studied the subject, it will seem ridiculous to propose as the greatest and most far-reaching of all reforms a mere fiscal change. But whoever has followed the train of thought through which in preceding chapters I have endeavored to lead, will see that in this simple proposition is involved the greatest of social revolutions - a revolution compared with which that which destroyed ancient monarchy in France, or that which destroyed chattel slavery in our Southern States, were as nothing.

### **Henry George - Social Problems, pp. 241-5**

Here, it seems to me, is the gist and meaning of the great social problems of our time: More is given to us than to any people at any time before; and, *therefore*, more is required of us....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. Power is always in the hands of the masses of men. What oppresses the masses is their own ignorance, their own short-sighted selfishness.

The great work of the present for every man, and every organization of men, who would improve social conditions, is the work of education - the propagation of ideas. It is only as it aids this that anything else can avail. And in this work every one who can think may aid - first by forming clear ideas himself, and then by endeavoring to arouse the thought of those with whom he comes in contact...

Let no man imagine that he has no influence. Whoever he may be, and wherever he may be placed, the man who thinks becomes a light and a power...

And I am firmly convinced, as I have already said, that to effect any great social improvement, it is sympathy rather than self-interest, the sense of duty rather than the desire for self-advancement, that must be appealed to...

And as man is so constituted that it is utterly impossible for him to attain happiness save by seeking the happiness of others, so does it seem to be of the nature of things that individuals and classes can obtain their own just rights only by struggling for the rights of others...

Hence it is, as Mazzini said, that it is around the standard of duty rather than around the standard of self-interest that men must rally to win the rights of man. And herein may we see the deep philosophy of Him who bade men love their neighbors as themselves.

In that spirit, and in no other, is the power to solve social problems and carry civilization onward.

## Religion

### American Heritage Dictionary

- n.
1. The expression of man's belief in and reverence for a superhuman power recognized as the creator and governor of the universe.
  2. Any particular integrated system of this expression: *the Hindu religion*.
  3. The spiritual or emotional attitude of one who recognizes the existence of a superhuman power or powers.
  4. Any objective attended to or pursued with zeal or conscientious devotion: *A collector might make a religion of his hobby*.
  5. *Obsolete*. Sacred rites or practices.

### Georgia Harkness - The Sources of Western Morality, pp.33-4

Finally, we noted that man's early groping toward the moral life found reinforcement in his sense of dependence upon and obligation toward the unseen powers. This was of world-transforming importance. Religion was - and is - a powerful cohesive and conserving agency, also a source of social challenge. In every age it has hallowed the *status quo* - a fact which skeptics never tire of pointing out. By doing so, it has thwarted progress and it has stabilized society. Yet also in every age it has laid upon men disturbing and costly demands. Human nature tends to follow the path of least resistance, but religion supervenes. To be stirred out of comfortable self-interest by emotion directed toward higher powers gives evidence that man - even primitive man - does not live by bread alone. This concept is revolutionary.

## Rent

**That portion of the wealth yielded on a piece of land in excess of that yielded at the margin under equal market conditions.**

### **American Heritage Dictionary**

n. 1. Payment, usually of an amount fixed by contract, made by one person or agency at specified intervals in return for the right to occupy or use the property of another.

2. Economics. a. The return derived from cultivated or improved land after deduction of all production costs.

b. The revenue yielded by a piece of land in excess of that yielded by the poorest or least favorably located land, under equal market conditions. In this sense, also called "economic rent".

tr.v 1. To obtain occupancy or use of (another's property) in return for regular payments.

2. To grant temporary occupancy or use of (one's own property) in return for regular payments.

### **Adam Smith - The Wealth of Nations, Vol. II, pp.370-1**

Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the state, no discouragement will thereby be given to any sort of industry. The annual product of the land and labour of the society, the real wealth and revenue of the great body of the people, might be the same after such a tax as before. Ground-rents, and the ordinary rent of land, are, therefore, perhaps the species of revenue which can best bear to have a peculiar tax imposed upon them.

Ground-rents seem, in this respect, a more proper subject of peculiar taxation than even the ordinary rent of land..Ground-rents, so far as they exceed the ordinary rent of land, are altogether owing to the good government of the sovereign... Nothing can be more reasonable than a fund which owes its

existence to the good government of the state, should be taxed peculiarly, or should contribute something more than the greater part of other funds, towards the support of that government.

**Henry George - Progress and Poverty, Preface pp.xix-xx**

Economic rent of land is the sum which is paid for the use of land and only land (improvements being completely excluded) when it is rented from others. If the owner uses his own land, the economic rent of that land is imputed economic rent - it is the rent which would have been paid had the land been rented from others. A more exacting "economic" definition will be found on page 168 of this volume which lays before us the wide fields of universal culture with the most harmonious and clearly interrelated reasoning: "The rent of land is determined by the excess of its produce over that which the same application (of labor) can secure from the least productive land in use." Henry George then meticulously explains the broadness of the application of this definition which so often is overlooked; the law of rent applies to land used for commerce and industry as well as for agriculture, and to all natural agencies such as mines, timberlands and fisheries. By this prophetic insight, he saw that the law of rent is in truth a law of nature, just as the law of gravity is a law of nature, universal in its application in all ages and in all climes whether it be recognized and understood or whether it be hidden and unknown.

**Henry George - Social Problems, pp.216-18**

And so, when we consider the phenomenon of rent, it reveals to us one of those beautiful and beneficent adaptations, in which more than in anything else the human mind recognizes evidence of Mind infinitely greater, and catches glimpses of the Master Workman.

This is the law of rent: As individuals come together in communities, and society grows, integrating more and more its individual members, and making general interests and general conditions of more and more relative importance, there arises, over and above the value which individuals can create for themselves, a value which is created by the community as a whole, and which, attaching to land, becomes tangible, definite and capable of computation and appropriation. As society grows, so grows this value, which springs from and represents in tangible form what society as a whole contributes to production, as distinguished from what is contributed by individual exertion. By virtue of natural law in those aspects which it is the purpose of the science we call political economy to discover - as it is

the purpose of the sciences which we call chemistry and astronomy to discover other aspects of natural law - all social advance necessarily contributes to the increase of this common value; to the growth of this common fund.

Here is a provision made by natural law for the increasing needs of social growth; here is an adaptation of nature by virtue of which the natural progress of society is a progress toward equality, not toward inequality; a centripetal force tending to unity, growing out of and ever balancing a centrifugal force tending to diversity. Here is a fund belonging to society as a whole form which, without the degradation of alms, private or public, provision can be made for the weak, the helpless, the aged; from which provision can be made for the common wants of all as a matter of common right to each, and by the utilization of which society, as it advances, may pass, by natural methods and easy stages, from a rude association for purposes of defense and police, into a cooperative association, in which combined power guided by combined intelligence can give to each more than his own exertions multiplied many fold could produce.

**Henry George - Social Problems, pp.207-8**

To secure to all citizens their equal right to the land on which they live, does not mean, as some of the ignorant seem to suppose, that every one must be given a farm, and city land be cut up into little pieces. It would be impossible to secure the equal rights of all in that way, even if such division were not in itself impossible. In a small and primitive community of simple industries and habits, such as that Moses legislated for, substantial equality may be secured by allotting to each family an equal share of the land and making it unalienable. Or, as among our rude ancestors in western Europe, or in such primitive society as the village communities of Russia and India, substantial equality may be secured by periodical allotment or cultivation in common. Or in sparse populations, such as the early New England colonies, substantial equality may be secured by giving to each family its town-lot and seed-lot, holding the rest of the land as town land or common. But among a highly civilized and rapidly growing population, with changing centers, with great cities and minute division of industry, and a complex system of production and exchange, such rude devices become ineffective and impossible.

Must we therefore consent to inequality - must we therefore consent that some shall monopolize what is the common heritage of

all? Not at all. If two men find a diamond, they do not march to a lapidary to have it cut in two. If three sons inherit a ship, they do not proceed to saw her into three pieces; nor yet do they agree that if this cannot be done equal division is impossible. Nor yet is there no other way to secure the rights of the owners of a railroad than by breaking up track, engines, cars and depots into as many separate bits as there are stockholders. And so it is not necessary, in order to secure equal rights to land, to make an equal division of land. All that it is necessary to do is to collect the ground-rents for the common benefit.

Nor, to take ground-rents for the common benefit, is it necessary that the state should actually take possession of the land and rent it out from year to year, or from term to term, as some ignorant people suppose. It can be done in a much more simple and easy manner by means of the existing machinery of taxation. All it is necessary to do is to abolish all other forms of taxation until the weight of taxation rests upon the value of land irrespective of improvements, and take the ground-rent for the public benefit.

In this simple way, without increasing governmental machinery, but, on the contrary, greatly simplifying it, we could make land common property. And in doing this we could abolish all other taxation, and still have a great and steadily increasing surplus - a growing common fund, in the benefits of which all might share, and in the management of which there would be such a direct and general interest as to afford the strongest guaranties against misappropriation or waste. Under this system no one could afford to hold land he was not using, and land not in use would be thrown open to those who wished to use it, at once relieving the labor market and giving an enormous stimulus to production and improvement, while land in use would be paid for according to its value, irrespective of the improvements the user might make. On these he would not be taxed. All that his labor could add to the common wealth, all that his prudence could save, would be his own, instead of, as now, subjecting him to fine. Thus would the sacred right of property be acknowledged by securing to each the reward of his exertion.

**Richard Noyes: Editor - Now the Synthesis, p.159**

That every person in every generation has an equal right to the use of land was Henry George's basic moral axiom. It is one with which few people would disagree, and it is certainly common



ground in the Green movement. Collection of land rent by the community is not commonly perceived as its necessary logical outcome, however. Socialists see the connection, but go on to make the fatal mistake of proscribing private ownership of land altogether, thereby missing another connection - between private decision-making and prosperity.

Perhaps J. S. Mill diagnosed the most important reason for missing the connection when he described the law of rent as the *pons asinorum* of political economy. The Concise Oxford Dictionary's entry for *pons asinorum* runs 'bridge of asses, i.e., 5th proposition of the 1st book of Euclid, hence, anything found difficult by beginners.' As the concept of economic rent has still to be widely grasped, the possibility of a political movement for appropriate land reform would seem to be as remote as ever.

**Kris Feder and Fred Harrison - Land and Liberty, July 1994 p.15**

The definition given any term is neither right or wrong; it is simply more or less useful in facilitating thought...It is as though economists have redefined "rent" in a manner calculated to dispose of the term altogether.

**Lord Byron**

Year after year they voted cent, per cent.,  
Blood, sweat, and tear-wrung millions -  
Why? for rent!  
They roar'd, they dined, they drank, they swore they meant  
To die for England - why then live? - for rent!  
The peace has made one general malcontent  
Of these high market patriots; war was rent!  
Their love of country, millions all misspent,  
How reconcile? by reconciling rent!  
And will they not repay the treasures lent?  
No: down with everything, and up with rent!  
Their good, ill, health, wealth, joy or discontent,  
Being, end, aim, religion - rent, rent, rent!

**Rentier**

**American Heritage Dictionary**

n. 1. One who derives a fixed income from property rentals or returns on investments.

## **Rent-seeking behavior**

### **Penguin Dictionary of Economics**

Behavior which improves the welfare of someone at the expense of the welfare of someone else. The most extreme example of rent-seeking behavior is that of a protection racket, in which one group better themselves without creating any welfare-enhancing output at all. Not all examples are criminal, however: the behavior of labor or management when they put more effort into increasing their share of turnover, rather than into increasing the total volume of turnover, can be described as rent-seeking.

## Right

### American Heritage Dictionary

- n.
1. That which is just, morally good, legal, proper, or fitting.
  5. That which is due to anyone by law, tradition, or nature.
  6. A just or legal claim or title.

**Synonyms:** right, privilege, prerogative, perquisite, franchise, birthright, title. These terms apply to powers and possession and one's established claim to them.

**Right** refers to a just claim, legally, morally or traditionally.

**Privilege** usually suggest an advantage not enjoyed by everyone.

**Prerogative** connotes a prior right or privilege based on custom, law, office, sex, or recognition of precedence.

**Perquisite** applies to advantage accorded one by virtue of one's position or the needs of one's employment.

**Franchise** denotes specific rights formally and legally granted.

**Birthright** applies to heritable rights as a result of birth.

**Title** refers to that which establishes the right to ownership of property.

## **Risk**

### **American Heritage Dictionary**

- n.
1. The possibility of suffering harm or loss; danger.
  2. A factor, element, or course involving uncertain danger; hazard.

## **Salary**

### **American Heritage Dictionary**

n. 1. A fixed compensation for services, paid to a person on a regular basis.

## **Scarcity**

### **American Heritage Dictionary**

- n. 1. Insufficient amount or supply; shortage.  
2. Infrequency of appearance or occurrence; uncommonness.

### **Bronfenbrenner, et al. - Economics, p.G-29**

The circumstance in which the supply of something would not be sufficient to satisfy the demand for it if it were provided 'free of charge'.

## **School**

### **American Heritage Dictionary**

- n.
1. An institution for the instruction of children.
  2. An institution for instruction in a skill or business.
  3. A college or university.
  4. An institution within a college or university for instruction in a specialized field.
  5. The student body of an educational institution.
  6. A place of instruction; the building or group of buildings in which instruction is given or in which students work and live.
  7. The process of being educated; especially, formal education comprising a planned series of courses over a number of years.
  8. A session of instruction.
  9. A group of persons, especially intellectuals or artists, whose thought, work, or style demonstrates some common influence or unifying belief.
  10. A class of people distinguished by a convention of manner, custom, or opinion.
  11. The education provided by a set of circumstances or experiences.

### **Jacob Needleman - Money and the Meaning of Life, p.298**

There is an action, an allowing, a surrender within, that has always been the birthright of every man or woman. The ego experiences it as a kind of stoppage. It is a special quality of silence. In that moment, you know why you are on earth and you know that as you are you cannot serve. You know you must change your life and that this can only happen by searching for companions and conditions that will support the appearance of this moment of opening. On the basis of that moment, a new intention enters into one's life, a new morality. It is the morality of the search. Whatever supports that search is good; whatever hinders it is evil. One begins to understand that it is only through that opening that one can love as one wishes to love and as we have heard of love in the teachings of the masters. Then, truly, the world and life in this world, with all its pleasures and pains, with all its obligations and difficulties—just this world that you and I live in now — this world becomes my monastery.



**School of economic thought**

**Bronfenbrenner, et al. - Economics, p.G-29**

A group of economists who employ the same or similar theories and who agree with one another much of the time about economic policy.

## **Science**

### **American Heritage Dictionary**

- n.
1. The observation, identification, description, experimental investigation, and theoretical explanation of natural phenomena.
  2. Such activity restricted to a class of natural phenomena.
  3. Such activity applied to any class of phenomena.
  4. Any methodological activity, discipline, or study.
  5. Any activity that appears to require study and method.
  6. Knowledge; especially, knowledge gained through experience.

### **Usharbudh Arya**

In reading the first chapter [Laws of Manu] on the process of creation, one understands that laws of behavior, politics or economics cannot be developed without consideration of the total universal order. The most important point about all the various teachings in India of the sciences is that they always begin with an account of creation, and this account always brings forth the goal of emancipation of the human spirit. We must know where in the total universal order we fit as pieces, and we should walk with that consciousness.

### **Hari Prasad Shastri - Self-Knowledge, Vol 47, No 4, p.163**

I bow down to science. But every scientist will tell you that science is yet very far from being complete. Science is wrong when it usurps the place of philosophy, and philosophy is also wrong when it usurps the place of science. They have two entirely different departments. Philosophy teaches us how to live, how to be good, how to make others good, how to make this barren field of our life a garden in which there are orderly plots of jasmine, violets and other flowers. The realm of science is matter, how to give order to matter, how to find out about the potentialities of matter.

### **Self-Knowledge - Vol. 46, No. 2, P.44,46 S.D.S.**

The objective fact is that science is strictly amoral and has no moral stance of its own, regrettable as this may be. It provides knowledge, but, in itself, absolutely no guidance as to how it is to be used. That depends entirely on the people who use it, and science itself offers no suggestion at all about this. The values and the morals have to come from elsewhere - from the beliefs of the scientist..

Morality and other spiritual values are a vital element in human life, and the health of human society depends on them. And the science which chooses to limit itself to empirical knowledge and ignores moral and spiritual values will not provide any permanent solution to life's problems. And it will not do so because it fails to address the problem which that great scientist, Erwin Schrodinger, said was the one and only real object of all scientific endeavor - to satisfy the demand posed by the Delphic oracle: 'Know thyself!' This is why the higher knowledge is vital to the welfare of mankind.

## **Security**

### **American Heritage Dictionary**

- n.
1. Freedom from risk or danger; safety.
  2. Freedom from doubt, anxiety, or fear; confidence.
  3. Anything that gives or assures safety.
  4. Something deposited or given as assurance of the fulfillment of an obligation; a pledge.
  5. One who undertakes to fulfill the obligation of another; surety.

## **Seigniorage**

### **American Heritage Dictionary**

n. 1. A profit or revenue taken from the minting of coins, usually the difference between the value of the bullion used and the face value of the coin.

## **Self-interest**

### **American Heritage Dictionary**

- n. 1. Personal advantage or interest; selfish motive or gain.
2. Pursuit of or excessive regard for such advantage or interest.

### **Kenneth Lux - Adam Smith's Mistake, pp.10-11**

The heart of economics turns out not to be *wants* - that is only a later extension of a more fundamental idea. The heart of economics, as any introductory textbook will tell you somewhere right near the beginning, and as Adam Smith first told us a little over two hundred years ago, is this: The essential nature of the human being, at least as an economic actor, is self-interest, and self-interest is a very good thing.

The melee that Heilbroner referred to was a loosening of the old institutions of authority and along with it the old standards and principles, and what was to come in its place was unknown and undefined. Adam Smith's work was to give this openness and fluidity the stamp that later came to be called economics. The inhabitants of this new society were no longer "man in Christian society," or "man in feudal society," but rather *Homo oeconomicus*, or economic man. Smith wrote about how nations became wealthy and said that it was not a result of the dictates of the aristocracy nor from anyone's benevolence or good intentions, but out of everyone's being able to pursue the interests of his or her individual self.

### **Kenneth Lux - Adam Smith's Mistake, pp.24-5**

But the very core of Smith's work, the idea that is taken to be the essence of his contribution, is as follows:

It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest.

This sentence occurs in chapter 2, as part of an explanation of what gave rise to the division of labor. In that section Smith first contrasts human beings with animals, noting that when the latter become mature they are largely independent and self-sufficient, so that they need very little assistance from other animals. But human beings are different; they need constant assistance from their fellows, such as in the exchange of goods

or services; "Give me that which I want, and you shall have this which you want." And then Smith says, "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow citizens."

This statement is so important that it could fairly well be said that if one were to choose a statement that most characterized the transition from the thinking of the Middle Ages to that of modern economic society it would be this. It is this statement that represents the epochal significance of Adam Smith as a philosopher and as the father of economics.

The self-interest, or "butcher-baker," quote stands by itself and is often quoted by itself, as has been indicated. However, another one of Smith's nuggets, which is a supplement to the above and is often quoted in conjunction with it, is the "invisible hand" statement. Smith says that in the pursuit of self-interest an individual is "led by an invisible hand to promote an end which was no part of his intention. Nor is it always the worse for society that it was no part of it." The "invisible hand" is a striking metaphor which explains how each individual's pursuit of private gain can nevertheless add up to the good of society.

**Kenneth Lux - Adam Smith's Mistake, pp.87-8**

"We turn now to a final elucidation of the butcher-baker statement. Adam Smith made a mistake. He said, 'It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.' We should now be able to see that Adam Smith left out just one little word - a word which has made a world of difference. And if this mistake is not corrected, then the absence of that word could threaten to unmake a world. That word is *only*. What Adam Smith ought to have said was, "It is not *only* from the benevolence..."; then everything would have been all right.

I said before that we would eventually view the butcher-baker statement in an even larger context, and now is the time to do this, because in so doing we will find intriguing confirmation for our account of Adam Smith's mistake. For it turns out that four sentences before this statement we find the missing *only*.

Smith, in attempting to explain the origin of the division of labor, contrasts the behavior of animals with that of humans. Animals, he says, are largely independent and have little need for the assistance of other animals. But man, on the other hand,

has almost constant occasion for the help of his brethren, and it is vain for him to expect it from their benevolence *only*. He will be more likely to prevail if he can interest their self-love in his favor, and show them that it is for their own advantage to do for him what he requires of them. Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want, is the meaning of every such offer; and it is in this manner that we obtain from one another the far greater part of those good offices which we stand in need of. It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. (*italics added*)

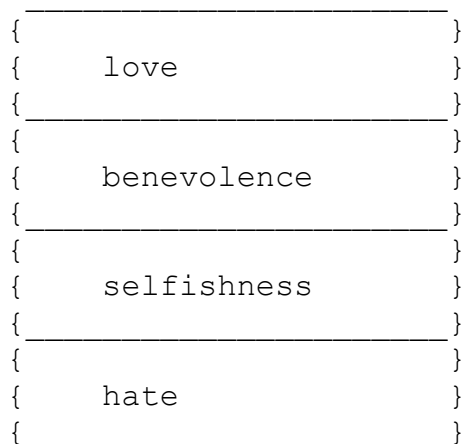
Of course, we don't mean to imply that Smith *intended* to insert the word *only* before *benevolence*, and that he mistakenly left it out. He intended it to be just the way it is; but in his intention he made a mistake. And what is so fascinating about this analysis of his text is that we can see how close he was to putting it differently. He almost might have said that self-interest wasn't everything, that some measure of benevolence was also needed for society to be benefited. But in the end, and just at the margin of his thought, he made the fateful decision to write on the behalf of self-interest to the exclusion of benevolence. What contributed to this, as we have pointed out, is that Smith saw benevolence as operating only in the donation of free gifts or charity, and he did not realize that it also needed to play a part in exchange as well - in the form of honesty, integrity, or fairness. The significance of the omission of *only* in the butcher-baker sentence is clear when we remember that this statement became the basis of the counsel of self-interest in respectable and academic thought.

**Kenneth Lux - Adam Smith's Mistake, pp.91-3**

We have said that in his economics Smith was dealing with the 'middle range' of human motivation. This is necessarily the case because economics as a field concerns this middle range. The full range of human motivation involves the *passions* as well as the *interests*, to use Albert Hirschman's delineation of these forces in economic history. We can see human motivation as very



simply consisting of a bipolar dimension, with love on one end and hate on the other. These two poles represent the passions.



In the middle range of motivation are the interests, and these can be classified as benevolence and self-interest (or selfishness), to use the Smithian terms.

The conflict of interests that we have been discussing is the conflict between the upward and the downward directions on this continuum (or, more accurately, vector). To put it very starkly, but accurately, the choice between these directions corresponds to the choice between good and bad, or virtue and vice.

While it is easy to make a distinction between the two ends of the vector - between white and black - it is always more difficult to make such moral distinctions in the middle, or gray, area of the continuum. But a distinction in the middle range is still the same *kind* of distinction; it is a distinction between good and bad.

In his doctrine of self-interest, Smith made what can be called a *transvaluation*. That is, he reversed the poles of the continuum of motivation, at least in the middle range. In effect he said that bad was good and good was bad. We will see shortly how Smith was influenced by a predecessor, Bernard de Mandeville, to

make this transvaluation. Mandeville's famous utterance that "private vice is public benefit" was to leave its fateful mark on Smith.

We have seen, then, that transvaluations become the root of moral confusion when the polarity is mislabeled. The economic doctrine of self-interest has introduced just this confusion into modern life, and in an intellectually acceptable form. Modern society has been struggling with this problem ever since the inception of the science of economics in the late 1700s.

Transvaluation is not just a product of economics, of course, and people of ill will in all spheres inevitably use transvaluative language to justify their vices and evil intentions. Perhaps the most well-known literary portrayal of this is in George Orwell's satire Nineteen Eighty-Four, where mechanistic man, living in a totalitarian regime, talks in the language of doublespeak or even "newspeak". Here war is called peace, and lies are called truths.

The misuse of language, or mislabeling, is an important aspect of transvaluation. For Confucius, the path back to morality lay, at least in part, in what he called "the rectification of names". Immorality flourished, according to the Confucian perspective, when things and actions were not called by their correct names. The most serious instance of such mislabeling is when what is bad is called good, and vice versa.

We also need to be clear, however, that immorality is not just or primarily a problem of mislabeling. It is not only a language problem. Immorality flows from the unchecked ill will of the lower self, or lower pole of motivation. It is unchecked because the counterbalancing force, the higher pole, is overpowered or held in abeyance. Language enters the picture because unchecked ill will inevitably distorts language; transvalued language is then used to render the lower pole, or lower self, dominant over a higher self that has been linguistically disclaimed. It is the central thesis of this book that in its self-interest doctrine economics has served precisely this purpose.

It is the task of the present work, then, to affect a rectification of names in the area of economics, and in social action and policy in general. We want to show that self-interest in essence means selfishness, and selfishness cannot produce the social good because in fact it is the very force that destroys

the social good, despite the claim of economics to the contrary. As a matter of fact, this claim provides one of the deep mystifications that bedevil what we call the modern world.

**Kenneth Lux - Adam Smith's Mistake, pp.98-9**

We have referred to the deep mystification that has resulted from Adam Smith's mistake. By this we mean that the penetration of this mistake, this transvaluation, into the roots of our culture has affected our basic modes of perception and understanding. To put it very simply, as a result of this transvaluation we don't see things right. Economics teaches us to attribute the gains and achievements of the modern economic world which we see about us to self-interest. What this book is trying to show is that this is one of the deepest and most fundamental misperceptions of our culture; to the contrary, whatever good is in society and economics has come about through the forces limiting self-interest, as expressed by such words as excellence, values, caring, compassion, honesty, fairness, integrity, and so forth. The extent to which we see social and economic achievements as due to self-interest is the extent to which we have been misled at the perceptual level by Adam Smith's mistake.

The mystification began with Smith himself, which turns out to be a tremendous irony. Smith's intentions were always of the highest order, and whatever he proposed came out of nothing less than a sincere search for the truth which was without a trace of his own self-interest. But where he faltered seems to have been in his cynicism, to which he subtly gave way somewhere between The Theory of Moral Sentiments and The Wealth of Nations. The historical record shows that Smith became aware toward the end of his life that there was a more serious problem with unmoderated commercial motives than he was aware of earlier.

**Kenneth Lux - Adam Smith's Mistake, pp.104-5**

Nevertheless, Smith could not conceive of government, or new government-created institutions, as agents of the new social order. Yet he was also not an anarchist. As radical as some of his ideas might have been for his day, he very much believed in order and propriety. Then what was left to make for social adhesion? As we have seen, between his first and second books Smith abandoned any reliance upon human benevolence or sympathy. Whereas these sentiments provided the central theme of The Theory of Moral Sentiments, they are not even mentioned in The Wealth of Nations, except disparagingly. So, by elimination, Smith is brought to self-interest, which he now has to turn into a

positive force. For this he brings in the "invisible hand" - an expression he had in fact first used in The Theory of Moral Sentiments, only there in reference to the benevolent hand of a just Providence. In The Wealth of Nations both benevolence and Providence are gone, and the hand hangs by itself as some sort of natural principle.

Smith saw that the self-interest of the ruling oligarchy had stifled the pursuit of livelihood of the rest of British society, but he interpreted the latter pursuit as being also motivated by self-interest. In order to remove the oppression of the oligarchy, he made an argument for the equal value of everyone's self-interest. This equality argument, which Smith expresses throughout The Wealth of Nations, comes out of Smith's innately democratic spirit. Now we are able to recognize the grand irony and paradox of Smith's book: his argument for self-interest is actually based on an argument *against* self-interest!

**Kenneth Lux - Adam Smith's Mistake, pp.107-8**

Historically, Adam Smith's mistake became a portal. The forces of the lower half of the continuum of motives are always seeking expression. This is only human nature - or one side of human nature. However, there is another side to human nature, and that is the top side, or the higher motives. It is from this source and direction that human beings derive their dignity and their nobility, and the ability to act with virtue. It is this part of human nature that serves to restrain the destructive propensities of the lower part. With his doctrine of self-interest in The Wealth of Nations Adam Smith provided a portal in the walls of respectable thought for the forces of the lower motives to come pouring through, now justified within themselves and seen as good.

**Kenneth Lux - Adam Smith's Mistake, pp.112-13**

In Renaissance Italy, Niccolo Machiavelli, powerful advisor to princes, asserted that the state is not an instrument for achieving the Good as defined by Aristotle or Christian theology. Instead, he claimed, it is a *force*, neutral or amoral, and like any force or power it can be used for the purposes of its possessor or ruler. Machiavelli sought to describe the "way it is," rather than the way it ought to be, and he counseled that a wise prince would do the same:

It appears to me more proper to go to the real truth of

the matter than to its imagination...For how we live is so far removed from how we ought to live, that he who abandons what is done for what ought to be done, will rather learn to bring about his own ruin than his preservation. A man who wishes to make a profession of goodness in everything must necessarily come to grief among so many who are not good. Therefore it is necessary for a prince, who wishes to maintain himself, to learn how not to be good, and to use this knowledge and not use it, according to the necessity of the case....For if one considers well, it will be found that some things which seem virtues would, if followed, lead to one's ruin, and some others which appear vices result in one's greater security and well being.

Here we see the early appearance of transvaluation, preceding Adam Smith by over two hundred years. In his explicitness Machiavelli is certainly controversial in a way that Smith is not, but, despite his controversial status, Machiavelli is credited by some historians with having 'emancipated' the state from religion. He is also considered to be the founder of modern political science, just as Smith is the founder of economics. Similarly, Machiavelli, like Smith, is appreciated as a scientist. It is perhaps of greater significance in terms of our attempt to understand the role of self-interest in the modern mind that many twentieth-century commentators on Machiavelli hold that he was "the first modern man".

**Kenneth Lux - Adam Smith's Mistake, p.191**

Since self-interest is about the self it goes to the core of the person, so that the problem of self-interest is a problem at the core of society. It is, therefore, much more than a problem in economics. It touches all areas of our lives, and it is always present as an issue when we are dealing with other people.

We have tried to show that a doctrine that promotes self-interest as the good is a doctrine that promotes selfishness. In social situations we are always faced with a choice between the lower and the higher: between a concern for ourselves regardless of others and a concern for others as well as ourselves. This choice is always present, although it is more acute and critical in some situations than others. Moral and spiritual development depends upon one's increasing awareness of the presence of this choice. A choice of the higher means a concern for others as

well as oneself; it does not mean a concern for others regardless of oneself. Being altruistic does not necessarily mean that one sacrifices oneself for the sake of the other, but only that one is good-willed or benevolent toward the other, responding to them in a spirit of common interest or mutuality.

**Kenneth Lux - Adam Smith's Mistake, pp.204-5**

In this book we have tried to show that the doctrine of self-interest has been the primary culprit in this state of affairs. In order to correct it, in all of its pervasive manifestations, we must find guiding principles that are above and beyond self-interest - the principles of the higher self. The offering of those principles was part of the original purpose of the temple of the spirit. In an ironic historical turning, it may be that the two temples, while no doubt continuing to stand separate, will infuse each other with what the other is in need of. Spirit will lend heart to intellect, in a new integration.

We see this process of integration in the lives of the reformers, some of whom we have touched upon in our study. It may be from lives such as these, where heart and intellect are indeed integrated, that the wellspring of social regeneration lies. Another great reformer of our time, Mahatma Gandhi, used an integration of two Sanskrit words to describe this wellspring. He called it *satyagraha*, from *satya* ('truth') and *graha* ('force'), so that *satyagraha* is truthforce.

The composer Philip Glass wrote an opera about Gandhi called Satyagraha. In each of the acts of the opera, Gandhi's struggles are watched over by a relevant satyagraha figure. In act 1 it is Count Leo Tolstoy; in act 2, Rabindranath Tagore; in act 3, Reverend Martin Luther King. As the opera ends, Gandhi, under the watchful eye of Reverend King, looks out into the night as his companions sleep. A future satyagraha "army" appears for fifteen seconds in the night sky as a collection of stars, and then fades out. Gandhi sings these lines from the Bhagavad Gita, another textbook of the first temple, which refer to Light and Truth incarnating once again within the midst of humanity:

For whenever  
the law of righteousness  
withers away  
and lawlessness arises:  
Then I generate  
myself on earth.

I come into being  
age after age  
and take a visible shape  
and move a man with men  
for the protection of good,  
thrusting the evil back:  
and setting virtue  
on her seat again.

## **Serf**

### **American Heritage Dictionary**

- n.
1. A slave, especially a member of the lowest feudal class in medieval Europe, bound to the land and owned by a lord.
  2. Any person in servitude.



## Service(s)

### American Heritage Dictionary

- n.
1. The occupation or duties of a servant.
  2. Employment in duties or work for another; especially, such employment for a government.
  3. A government branch or department and its employees: *civil service*.
  4. The armed forces of a nation, or any branch thereof.
  5. Work or duties performed for a superior.
  6. Work done for others as an occupation or business: *a shoe repair service*.
  7. Installation, maintenance, or repairs provided or guaranteed by a dealer or manufacturer.
  8. A facility providing the public with the use of something, such as water or transportation.
  9. Acts of devotion to God; witness.
  10. A religious rite.
  11. An act of assistance or benefit to another or others; favor.
  12. The serving of food or the manner in which it is served.
  16. *Law*. The serving of a writ or summons.

### Georgia Harkness - The Sources of Western Morality, p.232

Jesus announced another spiritual principle of great political significance when he declared that true greatness lies in service and that opportunity entails responsibility. "Every one to whom much is given, of him will much be required" (Luke 12-48). The reply which he gave to the ambitious mother of Zebedee's sons if taken seriously would transform political life (Mt. 20:20-28).

- 20 Then came to him the mother of Zebedee's children with her sons, worshipping *him*, and desiring a certain thing of him.
- 21 And he said unto her, *What wilt thou?* She saith unto him, Grant that these my two sons may sit, the one thy right hand, and the other on the left, in thy kingdom.
- on
- 22 But Jesus answered and said, *Ye know not what ye ask, Are ye able to drink of the cup that I shall drink of, and to be baptized with the baptism that I am baptized with?* They say unto him, We are able.
- 23 And he saith unto them, *Ye shall drink indeed of my*

cup, and be baptized with the baptism that I am  
baptized with: but to sit on my right hand,  
and on my left, is not mine to give, but it shall  
be given to them for whom it is prepared of my  
Father.

24 And when the ten heard it, they were moved with  
indignation against the two brethren.

25 But Jesus called them unto him, and said, Ye know that  
the princes of the Gentiles exercise dominion over  
them, and they that are great exercise authority  
upon them.

26 But it shall not be so among you: but whosoever will  
be great among you, let him be your minister;

27 And whosoever will be chief among you, let him be your  
servant:

28 Even as the Son of man came not to be ministered unto,  
but to minister, and to give his life a ransom for  
many.

Its import is reflected in the aphorism of Grover Cleveland,  
formerly much quoted and still true, "A public office is a public  
trust."

## **Single Tax**

### **"Single Tax" - Microsoft (R) Encarta.**

Doctrine of social reform developed by the American social philosopher and economist Henry George, according to which all taxation would be reduced to a single impost on land. In formulating the doctrine, projected in his book Progress and Poverty (1879), George was influenced in part by the ideas of the 17th-century English philosopher John Locke and his contemporaries and successors, and by the law of rent of the British economist David Ricardo. George held that all have an equal right to the use of the land, that land increases in value largely as a result of the growth of the community, and that this value, therefore, is socially created. The prevailing system of land ownership allows landlords to collect most of the socially created value of land and is thereby, in his view, the basic cause of the striking social inequities in modern society. George proposed to retain private ownership and urged that society should appropriate the socially created value of land, leaving to the landowner the full value of the improvements he or she makes on the land. Virtually the only means necessary to achieve this end, George believed, is the imposition of a tax on land values. Both as a matter of justice and as a stimulus to landlords to improve their land, he proposed that improvements should not be taxed.

## Site Value Taxation

The following is based on a chart devised by the *Association for Good Government* in Sydney, Australia:

### COMPARISON OF SITE VALUE TAXATION WITH OTHER TAXES

#### SITE VALUE TAXATION

1. Increases Incentive to use Sites fully
2. Neither increases prices nor rents
3. Cannot be evaded or avoided
4. Absolutely fair (based on what the community provides)
5. Reasonably precise
6. Cheap to collect

#### OTHER TAXES (income, payroll, Sales, etc.)

1. Decreases incentive, taxes instead
2. Adds to both prices and rents
3. Subject to evasion and avoidance
4. Involves arbitrary confiscation of private property (including wages and purchases)
5. Requires thousands of pages of rules
6. Requires great clerical costs for government and taxpayers, also audit-phobia for the latter

## **Slave**

### **American Heritage Dictionary**

- n.
1. One bound in servitude to a person or household as an instrument of labor.
  2. One who is submissive or subject to a specified person or influence.
  3. One whose condition is likened to that of slavery.
  4. A machine or component that is controlled by another machine or component

## **Slavery**

### **American Heritage Dictionary**

- n.
1. Bondage to a master or a household.
  2. A mode of production in which slaves constitute the principal work force.
  3. The condition of being subject or addicted to a specified influence.
  4. A condition of subjection likened to that of a slave: *wage slavery*.

### **Henry George - The Condition of Labour, p.24**

Slavery is not yet abolished. Though in all Christian countries its ruder form has now gone, it still exists in the heart of our civilization in a more insidious form, and is increasing. There is work to be done for the glory of God and the liberty of man by other soldiers of the cross than those warrior monks whom, with the blessing of your Holiness [Pope Leo XIII], Cardinal Lavigerie is sending into the Sahara. Yet your Encyclical employs in defense of one form of slavery the same fallacies that the apologists for chattel-slavery used in defense of the others !

The Arabs are not wanting in acumen. Your Encyclical reaches far. What shall your warrior monks say, if, when at the muzzle of their rifles they demand of some Arab slave merchant his miserable caravan, he shall declare that he bought them with his savings, and, producing a copy of your Encyclical, shall prove by your reasoning that his slaves are consequently "only his wages in another form," and ask if they who bear your blessing and own your authority propose to "deprive him of the liberty of disposing of his wages, and thus of all hope and possibility of increasing his stock and bettering his condition in life?"

## **Socialism**

### **American Heritage Dictionary**

- n.
1. A social system in which the producers possess both political power and the means of producing and distributing goods.
  2. The theory or practice of those who support such a social system.
  3. In Marxist-Leninist theory, the building, under the dictatorship of the proletariat, of the material base for communism.

### **Bronfenbrenner, et al. - Economics, p.G-30**

Socialist System - An economic system in which land and physical instruments of production are largely or completely owned by the state.

### **Robert Heilbroner - Behind the Veil of Economics, pp.78-9**

Is there some meaning to socialism beyond Sweden? What's over the hill after capitalism has adopted all the participatory and democratic institutions and changes that it can adopt? I am impressed by Branko Horvat's book, The Political Economy of Socialism, in which he says that the meaning of socialism lies ultimately in the complete lodging of decision-making and responsibility for the labor process in labor, and the complete lodging of political responsibility in citizens, and the breaking down of all the structures, whatever they are called, capitalist, communist, or just bureaucratic, that inhibit direct expression of self-responsibility. Such a definition of socialism lies well beyond anything that we now have.

Q. Do you think you could run General Motors by a democratic vote of all the participants?

A. I don't think a General Motors is imaginable under a kind of Horvat-like definition of socialism. I think it would require a much smaller scale of both productive and political units of action. I don't think you could have vast economic units. This immediately raises the question, "Can you have vast political units? Can you have the nation state?" This is a question that Horvat doesn't really deal with. It may be that the nation is in some way the ultimate barrier that has to be transcended before something like socialism may be reached. That is, socialism and the nation state may be mutually incompatible. Indeed, that seems to me the only way that freedom and socialism can be

ultimately reconciled.



## **Social Science**

### **American Heritage Dictionary**

The study of society and of the individual relationships in and to society, generally regarded as including sociology, psychology, anthropology, economics, political science, and history.

## **Society**

### **American Heritage Dictionary**

- n. 1. a. The totality of social relationships among human beings.  
b. A group of human beings broadly distinguished from other groups by mutual interests, participation in characteristic relationships, shared institutions, and a common culture.  
c. The institutions and culture of a distinct self-perpetuating group.
2. a. The rich, privileged, and fashionable social class.  
b. The socially dominant members of a community.
3. Companionship; company.

### **Georgia Harkness - The Sources of Western Morality, pp.17-19**

In primitive society are found three of the four main stages of economic development; the hunting, pastoral (or nomadic) and agricultural, while the fourth, the industrial, was a development emerging much closer to our own times. In all three of these stages the dominant note is group solidarity. Primitive society reveals a degree of cooperation and collectivism in economic activities which is virtually communistic. There is an *Urwir*, a "primeval we," which has great coercive power.

It is not to be supposed that the state was arrived at reflectively. Society began on the basis of joint ownership and group activity. Nature and its bounty belonged to everybody long before it belonged to anybody in particular. Of ownership in the modern legal sense, there was none in the early days, though it was generally recognized that a man had a right to his movable goods, as to his wives and children...

This collectivism, emerging from natural conditions and the demands of war, was reinforced by the need of joint action for economic success. It was imperative in the hunting stage that all the men of the tribe participate in the hunt for big game, for one could do little by himself, and an elemental sense of justice forbade that any be permitted to sit at home in idleness to participate in the fruit of others' effort. That this was the product of practical exigency rather than moral compunction is shown by the fact that small game need not thus be shared except under compulsion of the demands of hospitality.

In the pastoral period, there was generally individual or family ownership of flocks, but the land was not a fixed possession and corporate effort was necessary both for defense and plunder. The custom of holding grazing lands in common lasted on for many centuries into a more advanced civilization. It persisted in Europe until the time of the enclosures in the Renaissance period, and there are still occasional vestiges of it among peasants who pasture their herds on common lands belonging to their village.

In the agricultural stage, individual activity and therefore ownership began to supplant collectivist. First the harvest, then the land, became the property of him who (in John Locke's phrase) "mixes his labor with nature." Yet communal occupancy, if not ownership, remained a common form of agricultural life until the break-up of the feudal system, and family ownership prevailed for a long time before individual ownership supplanted it. This was due in part to the difficulty of dividing inheritances, in part to a spontaneous assumption that the land belonged to all members of the group who lived upon and tilled it. We find Caesar in his *Gaelic Wars* thus describing the situation among the Germanic tribes:

No one possesses privately a definite extent of land; no one has limited fields of his own; but every year the magistrates and chiefs distribute the land to the clans and kindred groups and to those who live together. (*De Bello Gallico*, VI, 22).

**Georgia Harkness - The Sources of Western Morality, p.162**

Greek society was highly stratified. A hierarchical arrangement was taken for granted, with the landed owners at the top, beneath them the tradesmen and artisans, and the slaves at the bottom. Sparta did not admit tradesmen to citizenship but in Athens, though they were held in contempt, they had the right to vote. Athens had, as we have here, a political democracy and an economic oligarchy.

**Henry George - Social Problems, pp.213-15**

It is no mere fiscal reform that I propose; it is a conforming of the most important social adjustments to natural laws. To those who have never given thought to the matter, it may seem irreverently presumptuous to say that it is the evident intent of the Creator that land values should be the subject of taxation;

that rent should be utilized for the benefit of the entire community. Yet to whoever does think of it, to say this will appear no more presumptuous than to say that the Creator has intended men to walk on their feet, and not on their hands. Man in his social relations is as much included in the creative scheme as man in his physical relations. Just as certainly as the fish was intended to swim in the water, and the bird to fly through the air, and monkeys to live in trees, and moles to burrow underground, was man intended to live with his fellows. He is by nature a social animal. And the creative scheme must embrace the life and development of society, as truly as it embraces the life and development of the individual. Our civilization cannot carry us beyond the domain of law. Railroads, telegraphs and labor-saving machinery are no more accidents than are flowers and trees.

Man is driven by his instincts and needs to form society. Society, thus formed, has certain needs and functions for which revenue is required. These needs and functions increase with social development, requiring a larger and larger revenue. Now, experience and analogy, if not the instinctive perceptions of the human mind, teach us that there is a natural way of satisfying every natural want. And if human society is included in nature, as it surely is, this must apply to social wants as well as to the wants of the individual, and there must be a natural or right method of taxation, as there is a natural or right method of walking.

We know, beyond peradventure, that the natural or right way for a man to walk is on his feet, and not on his hands. We know this of a surety - because the feet are adapted to walking, while the hands are not; because in walking on the feet all the other organs of the body are free to perform their proper functions, while in walking on the hands they are not; because a man can walk on his feet with ease, convenience and celerity, while no amount of training will enable him to walk on his hands save awkwardly, slowly and painfully. In the same way we may know that the natural or right way of raising the revenues which are required by the needs of society is by the taxation of land values. The value of land is in its nature and relations adapted to purposes of taxation, just as the feet in their nature and relations are adapted to the purposes of walking. The value of land only arises as in the integration of society the need for some public or common revenue begins to be felt. It increases as the development of society goes on, and as larger and larger

revenues are therefore required. Taxation upon land values does not lessen the individual incentive to production and accumulation, as do other methods of taxation; on the contrary, it leaves perfect freedom to productive forces, and prevents restrictions upon production from arising. It does not foster monopolies, and cause unjust inequalities in the distribution of wealth, as do other taxes;; on the contrary, it has the effect of breaking down monopoly and equalizing the distribution of wealth. It can be collected with greater certainty and economy than any other tax; it does not beget the evasion, corruption and dishonesty that flow from other taxes. In short, it conforms to every economic and moral requirement. What can be more in accordance with justice than that the value of land, which is not created by individual effort, but arises from the existence and growth of society, should be taken by society for social needs?

## **Special Interest**

### **Henry George - Social Problems, pp.181-3**

The power of the whole people is, of course, greater than the power of the railroads, but it cannot be exerted steadily and in details. Even a small special interest is, by reason of its intelligence, compactness and flexibility, more than a match for large and vague general interests; it has the advantage which belongs to a well-armed and disciplined force in dealing with a mob....Yet in the direct appeal to the people a power of this kind is weakest, and railroad kings rule States where, on any issues that came fairly before the people, they would be voted down. It is by throwing their weight into primaries, and managing conventions, by controlling the press, manipulating legislatures, and filling the bench with their creatures, that the railroads best exert political power.

...But it will be said: "If the railroads are even now a corrupting element in our politics, what would they be if the government were to own and to attempt to run them? Is not governmental management notoriously corrupt and inefficient? Would not the effect of adding such a vast army to the already great number of government employees, of increasing so enormously the revenues and expenditures of government, be to enable those who got control of government to defy opposition and perpetuate their power indefinitely; and would it not be, finally, to sink the whole political organization in a hopeless sloughs of corruption?"

My reply is, that great as these dangers may be, they must be faced, lest worse befall us.

## **Speculation**

### **American Heritage Dictionary**

- n.
1.
    - a. The act of speculating; consideration of some subject or idea.
    - b. Contemplation of a profound nature.
    - c. A conclusion, opinion, or theory reached by speculating.
  2.
    - a. Given to speculation or conjecture.
    - b. Spent in speculation.
  3.
    - a. Engaging in, given to, or involving financial speculation.
    - b. Characteristic of speculation in the involvement of chance; risky.

### **Bronfenbrenner, et al. - Economics, p.G-30**

Taking action based on expectations of future changes in market values.

### **John Maynard Keynes**

Speculation may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes a bubble on the whirlpool of speculation. When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill done.

## State

### American Heritage Dictionary

- n. 8. a. The supreme public power within a sovereign political entity.
- b. The sphere of supreme civil power within a given polity: *matters of state*.
9. A specific mode of government: *a welfare state*.
10. A body politic; specifically, one constituting a nation: *the states of Eastern Europe*.
11. One of the more or less internally autonomous territorial and political units composing a federation under a sovereign government: *the United States of America*.

### Georgia Harkness - The Sources of Western Morality, pp.22,23,25

In primitive society there was no real State, in the modern sense of the term, yet the clan and tribe formed political units in that they exercised authority over their members, administered justice, and waged war....In various ways authority passed into the hands of certain strong individuals who sometimes became hereditary rulers, but who more often surrendered their power, at death or defeat, to some other strong leader. Dynasties were usually short-lived....The history of social progress is sometimes grouped in three stages: kinship, authority and citizenship. This division is useful in suggesting trends of development, but it is evident that no sharp line of cleavage can be drawn between them. The kinship period manifests much authority and at least the beginnings of a sense of civic responsibility.

### Plato - The Republic, pp.632-7

A State, I said, arises, as I conceive, out of the needs of mankind; no one is self-sufficing, but all of us have many wants. Can any other origin of a State be imagined?

There can be no other.

Then, as we have many wants, and many persons are needed to supply them, one takes a helper for one purpose and another for another; and when these partners and helpers are gathered together in one habitation the body of inhabitants is termed a State.

True, he said.



And they exchange with one another, and one gives, and another receives, under the idea that the exchange will be for their good.

Very true.

Then, I said, let us begin and create in idea a State; and yet the true creator is necessity, who is the mother of our invention.

Of course, he replied.

Now the first and greatest of necessities is food, which is the condition of life and existence.

Certainly.

The second is a dwelling, and the third clothing and the like.

True.

And now let us see how our city will be able to supply this great demand: We may suppose that one man is a husbandman, another a builder, some one else a weaver - shall we add to them a shoemaker, or perhaps some other purveyor to our bodily wants?

Quite right.

The barest notion of a State must include four or five men.

Clearly.

And how will they proceed? Will each bring the result of his labors into a common stock? - the individual husbandman, for example, producing for four, and laboring four times as long and as much as he need in the provision of food with which he supplies others as well as himself; or will he have nothing to do with others and not be at the trouble of producing for them, but provide for himself alone a fourth of the food in a fourth of the time, and in the remaining three-fourths of his time be employed in making a house or a coat or a pair of shoes, having no partnership with others, but supplying himself all his own wants?

Adeimantus thought that he should aim at producing food only and

not at producing everything.

Probably, I replied, that would be the better way; and when I hear you say this, I am myself reminded that we are not all alike; there are diversities of natures among us which are adapted to different occupations.

Very true.

And will you have a work better done when the workman has many occupations, or when he has only one?

When he has only one?

Further, there can be no doubt that a work is spoilt when not done at the right time?

No doubt.

For business is not disposed to wait until the doer of the business is at leisure; but the doer must follow up what he is doing, and make the business his first object.

He must.

And if so, we must infer that all things are produced more plentifully and easily and of a better quality when one man does one thing which is natural to him and does it at the right time, and leaves other things.

Undoubtedly.

Then more than four citizens will be required; for the husbandman will not make his own plough or mattock, or other implements of agriculture, if they are to be good for anything. Neither will the builder make his tools - and he too needs many; and in like manner the weaver and shoemaker.

True.

Then carpenters, and smiths, and many other artisans, will be sharers in our little State, which is already beginning to grow?

True.

Yet even if we add neatherds, shepherds, and other herdsmen, in order that our husbandmen may have oxen to plough with, and builders as well as husbandmen may have draught cattle, and curriers and weavers fleeces and hides, - still our State will not be very large.

That is true; yet neither will it be a very small State which contains all these.

Then, again, there is the situation of the city - to find a place where nothing need be imported is well nigh impossible.

Impossible.

Then there must be another class of citizens who will bring the required supply from another city?

There must.

But if the trader goes empty-handed, having nothing which they require who would supply his need, he will come back empty-handed.

That is certain.

And therefore what they produce at home must be not only enough for themselves, but such both in quantity and quality as to accommodate those from whom their wants are supplied.

Very true.

Then more husbandmen and more artisans will be required?

They will.

Not to mention the importers and exporters, who are called merchants?

Yes.

Then we shall want merchants?

We shall.

And if merchandise is to be carried over the sea, skilful sailors

will also be needed, and in considerable numbers?

Yes, in considerable numbers.

Then, again, within the city, how will they exchange their productions? To secure such an exchange was, as you will remember, one of our principal objects when we formed them into a society and constituted a State.

Clearly they will buy and sell.

Then they will need a market-place, and a money-token for purposes of exchange.

Certainly.

Suppose now that a husbandman, or an artisan, brings some production to market, and he comes at a time when there is no one to exchange with him, -is he to leave his calling and sit idle in the market-place?

Not at all; he will find people there who, seeing the want, undertake the office of salesmen. In well-ordered states they are commonly those who are the weakest in bodily strength, and therefore of little use for any other purpose; their duty is to be in the market, and to give money in exchange for goods to those who desire to sell and to take money from those who desire to buy.

This want, then, creates a class of retail-traders in our State. Is not 'retailer' the term which is applied to those who sit in the market-place engaged in buying and selling, while those who wander from one city to another are called merchants?

Yes, he said.

And there is another class of servants, who are intellectually hardly on the level of companionship; still they have plenty of bodily strength for labour, which accordingly they sell, and are called, if I do not mistake, hirelings, hire being the name which is given to the price of their labour.

True.

Then hirelings will help make up our population?

Yes.

And now, Adeimantus, is our State matured and perfected?

I think so.

Where, then, is justice, and where is injustice, and in what part of the State did they spring up?

Probably in the dealings of these citizens with one another. I cannot imagine that they are more likely to be found any where else.

I dare say that you are right in your suggestion, I said; we had better think the matter out, and not shrink from the enquiry.

Let us then consider, first of all, what will be their way of life, now that we have thus established them. Will they not produce corn, and wine, and clothes, and shoes, and build houses for themselves? And when they are housed, they will work, in summer, commonly, stripped and barefoot, but in winter substantially clothed and shod. They will feed on barley-meal and flour of wheat, baking and kneading them, making noble cakes and loaves; these they will serve up on a mat of reeds or on clean leaves, themselves reclining the while upon beds strewn with yew or myrtle. And they and their children will feast, drinking of the wine which they have made, wearing garlands on their heads, and hymning the praises of the gods, in happy converse with one another. And they will take care that their families do not exceed their means; having an eye to poverty or war.

But, said Glaucon, interposing, you have not given them a relish to their meal.

True, I replied, I had forgotten; of course they must have a relish - salt, and olives, and cheese, and they will boil roots and herbs such as country people prepare; for a dessert we shall give them figs, and peas, and beans; and they will roast myrtle-berries and acorns at the fire, drinking in moderation. And with such a diet they may be expected to live in peace and health to a good old age, and bequeath a similar life to their children after them.

Yes, Socrates, he said, and if you were providing for a city of pigs, how else would you feed the beasts?

But what would you have, Glaucon? I replied.

Why, he said, you should give them the ordinary conveniences of life. People who are to be comfortable are accustomed to lie on sofas, and dine off tables, and they should have sauces and sweets in the modern style.

Yes, I said, now I understand: the question which you would have me consider is, not only how a State, but how a luxurious State is created; and possibly there is no harm in this, for in such a State we shall be more likely to see how justice and injustice originate. In my opinion the true and healthy constitution of the State is the one which I have described. But if you wish also to see a State at fever heat, I have no objection. For I suspect that many will not be satisfied with the simpler way of life. They will be for adding sofas, and tables, and other furniture; also dainties, and perfumes, and incense, and courtesans, and cakes, all these not of one sort only, but in every variety; we must go beyond the necessaries of which I was at first speaking, such as houses, and clothes, and shoes: the arts of the painter and the embroiderer will have to be set in motion, and gold and ivory and all sorts of materials must be procured.

True, he said.

Then we must enlarge our borders; for the original healthy State is no longer sufficient. Now will the city have to fill and swell with a multitude of callings which are not required by any natural want; such as the whole tribe of hunters and actors, of whom one large class have to do with forms and colors; another will be the votaries of music - poets and their attendant train of rhapsodists, players, dancers, contractors; also makers of diverse kinds of articles, including women's dresses. And we shall want more servants. Will not tutors be also in request, and nurses wet and dry, tire women and barbers, as well as confectioners and cooks; and swineherds, too, who were not needed and therefore had no place in the former edition of our State, but are needed now? They must not be forgotten: and there will be animals of many other kinds, if people eat them.

Certainly.

And living in this way we shall have greater need of physicians than before.

Much greater.

And the country which was enough to support the original inhabitants will be too small now, and not enough?

Quite true.

Then a slice of our neighbors' land will be wanted by us for pasture and tillage, and they will want a slice of ours, if, like ourselves, they exceed the limit of necessity, and give themselves up to the unlimited accumulation of wealth?

That, Socrates, will be inevitable.

And so we shall go to war, Glaucon. Shall we not?

Most certainly, he replied.

Then, without determining as yet whether war does good or harm, thus much we may affirm, that now we have discovered war to be derived from causes which are also the causes of almost all the evils in States, private as well as public.

Undoubtedly.

And our State must once more enlarge: and this time the enlargement will be nothing short of a whole army, which will have to go out and fight with the invaders for all that we have, as well as for the things and persons whom we were describing above.

**Richard Noyes: Editor - Now the Synthesis, p.35**

As society has evolved, and as mankind has become better acquainted with itself, there have been discovered all manner of ways in which 'self interest' impels the discovery of tools and advantages by which to exploit others. One of the worst has been the State, which Franz Oppenheimer has defined as an institution "forced on a defeated group by a conquering group, with a view only to systematizing the domination of the conquered by the conquerors, and safeguarding itself against insurrection from within and attack from without. This domination had no other

final purpose than the economic exploitation of the conquered group by the victorious group."

**Frederic Bastiat**

Everyone wants to live at the expense of the state. They forget that the state wants to live at the expense of everyone.

**Ralph Waldo Emerson - Politics**

To educate the wise man, the State exists; and with the appearance of the wise man, the State expires. The appearance of character makes the State unnecessary. The wise man is the State.



## **Steal**

### **American Heritage Dictionary**

- v. 1. To take without right or permission, generally in a surreptitious way.
2. To get or effect secretly or artfully.
3. To move, carry, or place surreptitiously.

### **Georgia Harkness - The Sources of Western Morality, p.19**

Though there was rigid insistence [in primitive society] upon the preservation of collective property rights within the group, there was slight compunction about stealing from other groups. A great deal of plundering of neighboring tribes was expected and, except as the other tribe resisted, was permitted, thus becoming the occasion for many a border squabble. This difference between the property rights of the "in-group" and the "out-group" is, of course, no outworn phenomenon. Petty thievery from tourists, either overtly or by over-charging for services, is common in many if not most parts of the world; and one needs to look no further than the last war to note with what moral indifference an army of occupation, either in individual looting or in official requisition, appropriates whatever it desires from the inhabitants of a conquered country.

### **Kenneth Lux - Adam Smith's Mistake, p.18**

The people's distress [during the enclosure movement of the Middle Ages] was ironically and bitterly expressed in a popular rhyme of the day:

The law locks up the man or woman  
Who steals the goose from off the common;  
But leaves the greater villain loose  
Who steals the common from the goose!

## **Steward**

### **American Heritage Dictionary**

- n.
1. One who manages another's property, finances, or other affairs; an administrator; supervisor.
  2. One in charge of the household affairs of a large estate, club, hotel, or resort.

## **Stoicism**

### **American Heritage Dictionary**

- n. 1. Indifference to pleasure or pain; impassivity; an attitude of endurance or bravery: *as soon as they knew the full hideousness of their doom, their stoicism forsook them.*
2. Capital **S.** The philosophy or doctrines of the Stoics.

For about five hundred years (approximately 300 BC to 200 AD) it was the dominant philosophy of Greece and Rome, and it stands as a bridge between the Greek and the Christian spirit. Though born on Greek soil, it had its greater days in Rome, and gave Roman law its philosophic undergirding. It merged with Christian doctrine and directly contributed the "Logos" doctrine to the Gospel of John. Through political, religious, and literary channels it laid a permanent stamp on future thought.

...the most sublime moral statements produced by the ancient world, outside of the Bible, are the writings of the Roman Stoic philosophers, and through these there breathes the spirit of world brotherhood and the spiritual equality of all men.

...The essential concepts of Roman Stoicism are already familiar. They have thus been compactly summarized:

The more important of these doctrines which found expression in Roman law and thereby were handed down to modern times as elements not only of our law, but of our morals, are (1) the conception of nature as a source of universal law; (2) the conception of Reason as the essential principle of nature; (3) the conception that all men share in reason, and therefore are equal; (4) the conception that justice is the rightful source of government; (5) the conception of duty. (John Dewey and James H. Tufts, Ethics, revised edition, p. 137)

...These various Stoic ideals converge in the concept of morality as grounded in the *lex naturae* - a universal moral law essentially rational in which all men participate, a law which calls to the individual to live his own life at its best and establish justice for all men. The *lex naturae* doctrine, never

dead but sometimes dormant, was revised in the seventeenth century and made the philosophical basis of Grotius' attempt to formulate international law. In the meantime Christian theology had taken it over, and had identified it with the Hebrew-Christian concept of obedience to the will of God. The strands thus interlaced were never clearly separated, and the familiar eighteenth-century doctrine of natural rights has a double parentage. To this day our bills of rights and declarations that "all men are created free and equal," the emancipation of slaves, our laws for the protection of women, children and the underprivileged, our efforts for world disarmament and racial brotherhood, trace their ancestry to the marriage of the Stoic with the Christian ideal of "liberty and justice for all".

## Study

### American Heritage Dictionary

- n.
1. The act or process of studying: the pursuit of knowledge, as by reading, observation, or research.
  2. Attentive scrutiny.
  3. A branch of knowledge.
  4. *Plural*. A branch or department of learning, something to be studied: *graduate studies*.
  - 5a. A work resulting from studious endeavor, as a monograph or thesis.
  - 5b. A literary work on a particular subject.
  - 5c. A preliminary sketch, as for a work of art.
  6. A musical composition designed as a technical exercise; an etude.
  7. A state of mental absorption: *He's in a deep study*.
  8. A room intended or equipped for studying.
  - 9.a. One who memorizes something: especially, an actor with reference to his ability to memorize a part.
  - 9.b. The memorizing of a part in a play.
- tr. v.
1. To apply one's mind purposefully to the acquisition of knowledge or understanding of (any subject): *study a language*.
  2. To read carefully : *study a book*.
  3. To memorize.
  4. To take (a course) at a school.
  5. To inquire into; investigate: *study the mood of the country*.
  6. To examine closely; scrutinize: *study a diagram*.
  7. To give careful thought to; contemplate: *study the next move*.
- intr. v.
1. To apply oneself to learning, especially by reading.
  2. To pursue a course of study.
  3. To ponder; reflect; meditate.

### Jacob Needleman - Money and the Meaning of Life, p.297

I say study, because truly to study oneself introduces into life an element completely alien to the ego, yet which the ego can accept. The ego has to become gradually convinced that what it wants - safety, happiness, existence - cannot be obtained through mechanical thinking, personal emotion, or instinctive action.

The mind has to become convinced that the only source of its well-being is consciousness. The work of studying oneself introduces a motivation that is free of personal gain, egoistic gain. Study, without the impulse to change anything, motiveless study, choice-less awareness is like the breath of the true wish, the true aim of evolving man.

**Hari Prasad Shastri - Self-Knowledge, Vol 47, No 4, p.160**

The first mistake, which you can call the original sin, is not disobedience to any god. It is disregard of the natural and innate nature of the spirit. It is to look into the mind and see there the rise of desires, the play of possession, of perfume and colors portrayed by the mind, and then to fall in love with them and try to succor the mind in its whims instead of trying to lead it in the right direction. This is the first error, the initial sin. One error leads to a thousand. It is just as in study. When you once accept a wrong hypothesis, then all the fabric you build on that hypothesis is wrong, and will not lead you to any good at all. This is the first error. It consists in failing to recognize the independence of the spirit, and in not seeing that the mind is a mere instrument of the spirit. It is through this error that the mind fails to discharge its functions in order to evoke freedom, beauty and bliss for itself and for many others. This is the real yogic problem, the psychological problem.

**Ecclesiastes - XII. 12**

Of making many books there is no end; and much study is a weariness of the flesh.

## Supply Side Economics

**Surplus Value**



## Sympathy

### American Heritage Dictionary

- n.
- 1.a. A relationship or affinity between persons or things in which whatever affects one correspondingly affects the other.
  - 1.b. Mutual understanding or affection arising from this.
  - 2.a. The act of or capacity for sharing or understanding the feelings of another person.
  - 2.b. A feeling or expression of pity or sorrow for the distress of another; compassion, commiseration.
  3. Favor; agreement; accord.
  4. A feeling of loyalty; devotion; allegiance.

### Kenneth Lux - Adam Smith's Mistake, pp.20-1

The book [The Theory of Moral Sentiments - 1759] begins with [Adam] Smith's observation that "how so ever selfish man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him though he derives nothing from it, except the pleasure of seeing it."

The purpose of Smith's book is to explicate those principles in man's nature that allow him a capacity for sympathy despite "how selfish he may be supposed." For Smith these principles lie not so much in a moral sense or reason or prudence or benevolence, but rather in what he sees as the sentiment of sympathy. While all of these other concepts are valid to some degree, they can each be derived from sympathy. For him, sympathy lies in the ability of the individual to put him or herself in another's place by being able to view the other from the standpoint of an "impartial spectator." The same imaginative faculty that allows one to sympathize with another also allows one to view oneself from the objective standpoint of an impartial spectator. "And hence it is," says Smith, "that to feel much for others, and little for ourselves, that to restrain our selfish, and to indulge our benevolent affections, constitutes the perfection of human nature; and can alone produce among mankind that harmony of sentiments and passion in which constitutes their whole grace and propriety."

Smith clearly placed his work in the line of the great tradition of moral teaching, as befits his profession as moral philosopher. This is evident when he describes what it is that corrupts the

moral sentiments: "This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least to neglect persons of poor and mean condition, though necessary both to establish and to maintain the distinction of ranks and the order of society, is, at the same time, the great and most universal cause of the corruption of our moral sentiments."

## **Tax**

### **American Heritage Dictionary**

- n.
1. A contribution for the support of a government required of persons, groups, or businesses within the domain of that government.
  2. A fee or due levied on the members of an organization to meet its expenses.
  3. A burdensome or excessive demand; a strain.

### **Will Rogers**

The income tax has made more liars out of the American people than golf has.

### **Clarence B. Carson - Basic Economics, pp.24-26**

Taxes unavoidably are burdensome on those on whom they fall, thus, upon the economy of individuals and families, and, as a rule, on the economy generally. George Washington put the point this way in his Farewell Address: 'that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant....' Indeed, the burden of taxes can be more than 'inconvenient and unpleasant.' Chief Justice John Marshall set forth an axiom on the matter in the landmark Supreme Court decision of *McCulloch vs. Maryland*. Marshall wrote, "That the power to tax involves the power to destroy; that the power to destroy may defeat and render useless the power to create..."

...But the power to tax is not the power to destroy only when it is levied on 100 per cent of the proceeds. That only demonstrates the principle by the potential extremity. Actually, the power to tax involves the power to destroy whether the degree is some fraction of one per cent or 100 per cent. It is possible to demonstrate this by marginal theory. The marginal theory as it applies to degree of taxation can be stated this way; *Any level of taxation will make some undertakings unprofitable or sub-marginal.* (The idea is that there are always businesses and undertakings that are near the point where they might go under.) In practice, any increase in taxes will drive some people out of business, or make it difficult or impossible for them to sustain themselves at whatever they are doing.

...The case for some sort of taxes is approximately as good as the case for government. Taxation is as widespread today as the existence of governments. Jesus said, on the matter of taxation,

"Render therefor unto Caesar the things which are Caesar's; and unto God the things that are God's" (Mathew 22:21).

**Henry George - Social Problems, p.123**

...the widely spread but utterly false notion that property should pay taxes only in proportion to the income it yields. In Great Britain, this is carried to such a pitch of absurdity that unused land pays no taxes, no matter how valuable it may be.

## **Tenant**

**One who temporarily holds or occupies land, a building, or other property owned by another.**

### **American Heritage Dictionary**

- n.
1. One who temporarily holds or occupies land, a building, or other property owned by another.
  2. Law. One who holds or possesses lands, tenements, and sometimes personal property by any kind of title.
  3. An occupant, inhabitant, or dweller in any place.

## **Tenure (Land tenure system)**

**The terms under which land is held.**

### **American Heritage Dictionary**

- n.
1. The holding of something, such as real estate or an office; occupation.
  2. The terms under which something is held.
  - 3.a. The period of holding.
  - 3.b. Permanence of position, often granted an employee after a specified number of years.

### **Margaret Thatcher**

No generation has a freehold on this earth. All we have is a life tenancy with a full repairing lease.

## **Theory**

### **American Heritage Dictionary**

- n. 1.a. Systematically organized knowledge applicable in a relatively wide variety of circumstances; especially, a system of assumptions, accepted principles, and rules of procedure devised to analyze, predict, or otherwise explain the nature or behavior of a specified set of phenomena.
- 1.b. Such knowledge or such a system distinguished from experiment or practice.
2. Abstract reasoning; speculation.
3. Broadly, hypothesis or supposition.

### **Bronfenbrenner, et al. - Economics, P.G-3**

A systematically organized body of knowledge that can be applied in a fairly wide range of circumstances and that provides a set of rules or assumptions for analyzing information and studying relationships.

## **Trade**

### **American Heritage Dictionary**

- n.
1. An occupation, especially one requiring skilled labor; a craft.
  2. The business of buying and selling commodities; commerce.
  3. The persons working in or associated with a specified business or industry.
  4. The customers, collectively, of a specified business or industry.
  5. An instance of buying or selling; transaction.
  6. An exchange of one thing for another.

### **Henry George - Social Problems, p.120**

All trade, it is to be remembered, is the exchange of commodities for commodities - money being merely the measure of values and the instrument for conveniently and economically effecting exchanges.



## Traditional Economy

## **Trustee**

### **American Heritage Dictionary**

- n.
1. A person or agent, such as a bank, holding legal title to property in order to administer it for a beneficiary.
  2. A member of a board elected or appointed to direct the funds and policy of an institution.
  3. A garnishee.

## **Truth**

**Truth is that which never changes.**

### **American Heritage Dictionary**

- n.
1. Conformity to knowledge, fact, actuality, or logic.
  2. Fidelity to an original or standard.
  3. Reality; actuality.
  4. A statement proven to be or accepted as true.
  5. Sincerity; integrity; honesty.

### **Robert Browning**

Truth is within ourselves;  
it takes no rise  
From outward things,  
whatever you may believe.  
There is an inmost center in us all,  
where Truth abides in fullness.

### **Self-Knowledge, Vol 46, No 2, p.67**

As with Shri Krishna in the Gita and like perhaps all real teachers, he [Hari Prasad Shastri] offered the teaching but then added: "I have told you the Truth, now do as you please."

## **Unemployment**

**Bronfenbrenner, et al. - Economics, p.G-33**

In official statistics, a condition in which a person who desires and is able to work at the going wage rate is not able to find a job; in economic theory, a condition in which a person is spending more time for leisure than desired and less time for wage earning than desired at the going wage rate.

## Unity

### American Heritage Dictionary

1. The state of being one; singleness.
2. The state, quality, or condition of accord or agreement; concord.
3. The combination or arrangement of parts into a whole; unification.
4. A combination or union thus formed.
5. Singleness or constancy of purpose or action; continuity.

**Synonyms:** *unity, union, solidarity, homogeneity.* These nouns refer to the condition of oneness in some sense; they are not always interchangeable, however. *Unity* is the fact or condition of being one; in most contexts it implies fundamental agreement of interdependent and usually varied components, which in turn produces harmony, as of thought, purpose, or artistic quality. *Union* is interchangeable with the preceding term when both refer to harmony or concord; but union more often refers to the act of joining persons or things and to the product that results, such as an organization of persons, a political body, or a marriage. In its most common application, *solidarity* is an intensification of unity, for it refers to the identity or likeness of interests, objectives, and responsibilities that enables a group of persons to think and act as one. *Homogeneity* involves oneness in the sense of uniformity of overall structure or character, resulting from likeness or compatibility of components.

### Leon MacLaren - Lectures Vol 2, p.61

Now, ladies and gentlemen, the highest achievement of the human being is unity. And unity means exactly what it says; there isn't a second, there's only the one. That is unity. And that unity turns out to be one's Self, in which everything is united and nothing is left out.

In some places they sell plots of land for houses and call those plots units, but of course, they're specially designed to keep everybody else out. It's the other end of unity when you are reduced to a mere digit, and your life is so organized that there aren't any other digits in it! But that's not unity; that's terrible poverty; whereas unity is riches itself, where everything's in, nothing's out, nothing's excluded, and the nothing extends over the whole wide universe. It's a different way of living, of course, the universe is the true home. And it is also said that the universe is the true family, because once

this unity is achieved, everyone is your family. So looked at in one way, there's just the simple unity, which is very beautiful. Looked at in the other way, all beings are your children. It's the same thing really, but it's rich and abundant and not at all poverty-stricken. One wouldn't expect the highest aim of mankind to be poverty-stricken, of course not.

## **Usufruct**

### **American Heritage Dictionary**

n. *Law* The right to utilize and enjoy the profits and advantages of something belonging to another so long as the property is not damaged or altered in any way.

## **Usury**

### **American Heritage Dictionary**

- n.
1. The act or practice of lending money at an exorbitant or illegal rate of interest.
  2. Such an excessive rate of interest.
  3. Archaic. The act or practice of lending money at any rate of interest.
  4. Obsolete. Interest charged or paid on such a loan.

### **Exodus - 22:25**

If thou lend money to *any* of my people *that is* poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury.



## Utility

### American Heritage Dictionary

- n.
1. The condition or quality of being useful; usefulness: *"I have always doubted the utility of these conferences on disarmament"* (Winston Churchill).
  2. A useful article or device.
  3. A public service, such as gas, electricity, water, or transportation.
  5. In utilitarianism, the principle of the greatest good for the greatest number.

## **Value**

**Worth in usefulness or importance to the possessor.**

**A measure of the intensity of desire; a measure of preference or esteem.**

### **American Heritage Dictionary**

- n.
1. An amount considered to be a suitable equivalent for something else; a fair price or return for goods or services.
  2. Monetary or material worth.
  3. Worth in usefulness or importance to the possessor; utility or merit.
  4. A principle, standard, or quality considered worthwhile or desirable.
  5. Precise meaning or import, as of a carefully considered word.

- tr. v.
1. To determine or estimate the worth or value of; appraise.
  2. To regard highly; prize; esteem.
  3. To rate according to relative estimate of worth or desirability; evaluate.
  4. To assign a value to (a unit of currency, for example).

### **Oscar Wilde**

An economist is a man who knows the cost of everything and the value of nothing.

### **Henry George - Progress and Poverty, p.65**

For the creation of value does not depend upon the finishing of the product; it takes place at every stage of the process of production, as the immediate result of the application of labor, and hence, no matter how long the process in which it is engaged, labor always adds to capital by its exertion before it takes from capital in its wages.

### **Henry George - Social Problems, pp.214-5**

Value, it must always be remembered, is a totally different thing from utility. From the confounding of these two different things much error and confusion arise. No matter how useful it may be, nothing has a value until some one is willing to give labor or the product of labor for it.



**Value Added**

**Value in Exchange**

## **Virtue**

### **American Heritage Dictionary**

- n.
1. The quality of moral excellence, righteousness; responsibility; probity; goodness.
  2. Conformity to standard morality or mores, as by abstention from vices; rectitude.
  - 3.a. A specific type of moral excellence or other exemplary quality considered meritorious; a worthy practice or ideal.
  - 3.b. Any of the particular moral excellences considered exemplary in philosophy and theology. See *cardinal virtues*. [The four qualities of justice, prudence, fortitude, and temperance. Also called "natural virtues."]
  4. Chastity
  - 5.a. A particular efficacious or beneficial quality: "A stone or a flower each has its virtue, its combination of specific qualities" (Erich Fromm).
  - 5.b. A preferable quality; an advantage: This plan has the virtue of being practical.
  6. Effective force or power: efficacy.
  7. *Obsolete*. Manly courage; valor.

### **Plato - Apology, p.413**

I tell you that virtue is not given by money, but that from virtue comes money and every other good of man, public as well as private.

### **Kenneth Lux - Adam Smith's Mistake, pp.109-10**

One of the Latin root meanings of the word *virtue* is "strength," relating it to the word *virile*. Strength, true strength, enables the higher self to overrule the lower. Plato uses the term *passion* to apply only to the lower end of the continuum of motives, calling that which is at the upper end *Reason*. The task, as Plato expresses it, is for Reason to restrain the passions. In this case Reason is not just something intellectual, without connection to feeling, but it is the thinking side of what we know of as love. For Plato then, Reason and love are intrinsically bound up with one another. Likewise, the passions are the self-centered emotions which use the brain as a calculating mechanism to rationalize, to plan and plot, in order to obtain the objects of desire.

When reason, or love, cannot restrain the passions, immorality

and injury to others ensue. Smith has a perfect and classical rendition of this in The Theory of Moral Sentiments:

All the members of human society stand in need of each other's assistance, and are likewise exposed to mutual injuries. Where the necessary assistance is reciprocally afforded from love, from gratitude, from friendship, and esteem, the society flourishes and is happy. All the different members of it are bound together by the agreeable bands of love and affection...Society, however, cannot subsist among those who are at all times ready to hurt and injure one another. The moment that injury begins, the moment that mutual resentment and animosity takes place, all the bands of it are broken asunder.

By the time of the publication of The Wealth of Nations a fateful change had occurred - one that allowed the forces of the lower self to gain respectability, shielded as they were from the bright illumination of truth by the walls of the doctrine that Smith now proposed. Smith had advised government to put up "fire walls" to protect society from the destructive self-interest of a few - the bankers in that case. But we have come to see that Smith's own self-interest doctrine ironically served to remove all moral fire walls, not only between government and the people, but between people and their environment, and between person and person. This is not the first time in history that a respected and accepted doctrine contained an implicit counsel for corruption, but it is probably the most significant and far-reaching occurrence of this that we know of. Indeed, we could say that Smith's doctrine has imprinted its peculiar stamp upon the mentality and morality of the modern world.

**Charles Avila - Ownership Early Christian Teaching, p.89**

If you wish to leave much wealth to your children, leave them in God's care. For he who, without your having done anything, gave you a soul, and formed you a body, and granted you the gift of life, when he sees you displaying such munificence, and distributing your goods, must surely open to them all kinds of riches...Do not leave them riches, but virtue and skill. For if they have confidence of riches, they will not mind anything besides, for they shall have the means of screening the wickedness of their ways in their abundant riches. [John Chrysostom]

## **Vision**

### **American Heritage Dictionary**

- n.
- 1.a. The faculty of sight.
  - 1.b. That which is or has been seen.
  2. Unusual competence in discernment or perception; intelligent foresight: *a man of vision*.
  3. The manner in which one sees or conceives of something.
  4. A mental image produced by the imagination.
  5. The mystical experience of seeing as if with the eyes the supernatural or a supernatural being.
  6. A person or thing of extraordinary beauty.

### **Joseph Schumpeter - History of Economic Analysis, pp.561-2**

In every scientific venture the thing that comes first is Vision. That is to say, before embarking upon analytic work of any kind we must first single out the set of phenomena we wish to investigate, and acquire "intuitively" a preliminary notion of how they hang together or, in other words, of what appear from our standpoint to be fundamental properties. This should be obvious. If it is not, this is only owing to the fact that in practice we mostly do not start from a vision of our own but from the work of our predecessors or from ideas that float in the public mind.

### **Robert Heilbroner - Behind the Veil of Economics, p.198-9**

Yet there is little doubt as to the immense constructive power of our visions. Schumpeter is right: without vision there can be no analysis. There will be nothing to analyze. There will be no "world", no "problems", no "tendencies", no "possibilities". My central placement of ideology and vision is therefore not intended as a retreat to a hopelessly personal or pointlessly reductionist view of economic inquiry. There is ample room for economic analysis, indispensable for unraveling the movements of a capitalist system. But the analysis cannot begin without the conceptual units of a belief system: and this belief system, in turn, must reflect the nature of the human adventure as we half-consciously-perhaps wholly unconsciously-understand it. Thus it is not to diminish the idea of economics that I seek to reveal ideology and vision beneath its veil. If ideology is to be criticized, vision is to be celebrated. Values come first in our search for meaning in history and society. Too often a vehicle for mystification, economics can best become an instrument for enlightenment if we see it as the means by which we strive to



make a workable science out of morality.

**Robert Heilbroner - Behind the Veil of Economics, p.100**

The vision of a world without work is not to be interpreted as a world without effort, perhaps exhausting effort, or a world without personal achievement (and, of course, the risk of personal failure). At least for us success-inoculated Westerners, such an existence would be, in Hannah Arendt's words, a "lifeless life" [Arendt, The Human Condition, p. 120]. But indolence is not at all the quality we seek in a world without work. What is at stake is not a society without striving and effort but a society without submissive striving, without subordinate effort.

**Stephen Meintjes & Michael Jacques - The Trial of Chaka Dlamini, p.11**

In the darkest days of World War Two, when the lights of freedom had been extinguished in Europe and elsewhere, one of the Free World's greatest champions inspired people the world over to fight and die to regain that freedom. Churchill gave them a vision of civilization moving on to broad sunlit uplands of greater prosperity and enlightenment.

You see, he knew that people *need* a vision. The Bible says, "Where there is no vision the people shall perish: [but he that keepeth the law, happy is he.]" (Proverbs 29-18)

## **Wages**

**The full product of labor at the margin.**

### **American Heritage Dictionary**

- n. 1. Sometimes plural. Payment for services to a workman; usually, remuneration of an hourly, daily, or weekly basis or by the piece. Compare salary.
2. Plural. Economics. The portion of the national product that represents the aggregate paid for all contributing labor and services as distinguished from the portion retained by management or reinvested in capital goods.
3. Usually plural. A fitting return; recompense; requital.

### **Adam Smith - The Wealth of Nations, Book I, Chapter VIII, p.72**

The produce of labour constitutes the natural recompense or wages of labor.

In that original state of things, which precedes both the appropriation of land and the accumulation of stock, the whole produce of labour belongs to the laborer. He has neither landlord nor master to share with him.

### **Henry George - Progress and Poverty, p.32, 56**

As used in common discourse "wages" means a compensation paid to a hired person for his services; and we speak of one man "working for wages," in contradistinction to another who is "working for himself". The use of the term is still further narrowed by the habit of applying it solely to compensation paid for manual labor. We do not speak of the wages of professional men, managers or clerks, but of their fees, commissions, or salaries. Thus the common meaning of the word wages is the compensation paid to a hired person for manual labor. But in political economy the word wages has a much wider meaning, and includes all returns for exertion. For, as political economists explain, the three agents or factors in production are land, labor, and capital, and that part of the produce which goes to the second of these factors is by them styled wages.

...For the maxim of admiralty law is, that "freight is the mother of wages," and though the seaman may have performed his part, the disaster which prevents the ship from earning freight deprives

him of claim for his wages.

In this legal maxim is embodied the truth for which I am contending. Production is always the mother of wages. Without production, wages would not and could not be. It is from the produce of labor, not from the advances of capital that wages come.

**Henry George - Social Problems, p.203**

So long as the wages tend to the point of a bare living for the laborer we cannot stop the tendency of property of all kinds to concentration, and this must be the tendency of wages until equal rights in the soil of their country are secured to all.

**Bob Woodward - Maestro, p.282-3**

Greenspan hypothesized at one point to colleagues within the Fed about the "traumatized worker" - someone who felt job insecurity in the changing economy and so was accepting smaller wage increases. He had talked with business leaders who said their workers were not agitating and were fearful that their skills might not be marketable if they were forced to change jobs.

## **Wealth**

**Natural resources transformed by labor to satisfy human desires; also human labor that directly satisfies human desire.**

### **The American Heritage Dictionary**

- n. 1. A great quantity of valuable material possessions or resources; riches.
2. The state of being rich; affluence.
3. A profusion or abundance.
4. Economics. All goods and resources having economic value.

### **Henry George - Progress and Poverty, pp.39-42**

As commonly used the word "wealth" is applied to anything having an exchange value. But when used as a term of political economy it must be limited to a much more definite meaning, because many things are commonly spoken of as wealth which in taking account of collective or general wealth cannot be considered as wealth at all. Such things have an exchange value, and are commonly spoken of as wealth, in so much as they represent as between individuals, or between sets of individuals, the power of obtaining wealth; but they are not truly wealth, inasmuch as their increase or decrease does not affect the sum of wealth. Such are bonds, mortgages, promissory notes, bank bills, or other stipulations for the transfer of wealth. Such are slaves, whose value represents merely the power of one class to appropriate the earnings of another class. Such are lands, or other natural opportunities, the value of which is but the result of the acknowledgment in favor of certain persons of an exclusive right to their use, and which represents merely the power thus given to the owners to demand a share of the wealth produced by those who use them. Increase in the amount of bonds, mortgages, notes, or bank bills cannot increase the wealth of the community that includes as well those who promise to pay as those who are entitled to receive. The enslavement of a part of their number could not increase the wealth of a people, for what the enslavers gained the enslaved would lose. Increase in land values does not represent increase in the common wealth, for what landowners gain by higher prices, the tenants or purchasers who must pay them will lose. And all this relative wealth, which, in common thought and speech, in legislation and law, is undistinguished from actual wealth, could, without the destruction or consumption of anything more than a few drops of ink and a piece of paper, be utterly annihilated. By enactment of the sovereign political

power debts might be canceled, slaves emancipated, and land resumed as the common property of the whole people, without the aggregate wealth being diminished by the value of a pinch of snuff, for what some would lose others would gain. There would be no more destruction of wealth than there was creation of wealth when Elizabeth Tudor enriched her favorite courtiers by the grant of monopolies, or when Boris Godoonof made Russian peasants merchantable property.

All things which have an exchange value are, therefore, not wealth, in the only sense in which the term can be used in political economy. Only such things can be wealth the production of which increases and the destruction of which decreases the aggregate of wealth. If we consider what these things are, and what their nature is, we shall have no difficulty in defining wealth.

When we speak of a community increasing in wealth - as when we say that England has increased in wealth since the accession of Victoria, or the California is a wealthier country than when it was a Mexican territory - we do not mean to say that there is more land, or that the natural powers of the land are greater, or that there are more people, for when we wish to express that idea we speak of increase of population; or that the debts or dues owing by some of these people to others of their number have increased; but we mean that there is an increase of certain tangible things, having an actual and not merely a relative value - such as buildings, cattle, tools, machinery, agricultural and mineral products, manufactured goods, ships, wagons, furniture, and the like. The increase of such things constitutes an increase of wealth; their decrease is a lessening of wealth; and the community that, in proportion to its numbers, has most of such things is the wealthiest community. The common character of these things is that they consist of natural substances or products which have been adapted by human labor to human use or gratification, their value depending on the amount of labor which upon the average would be required to produce things of like kind.

Thus wealth, as alone the term can be used in political economy, consists of natural products that have been secured, moved, combined, separated, or in other ways modified by human exertion, so as to fit them for the gratification of human desires. It is, in other words, labor impressed upon matter in such a way as to store up, as the heat of the sun is stored up in coal, the power

of human labor to minister to human desires. Wealth is not the sole object of labor, for labor is also expended in ministering directly to desire; but it is the object and result of what we call productive labor - that is, labor which gives value to material things. Nothing which nature supplies to man without his labor is wealth, nor yet does the expenditure of labor result in wealth unless there is a tangible product which has and retains the power of ministering to desire.

**Henry George - The Science of Political Economy, pp.118-19**

The original meaning of the word wealth is that of plenty or abundance; that of the possession of things conducive to a certain kind of weal or well-being. Health, strength and wealth express three kinds of weal or well-being. Health relates to the constitution or structure, and expresses the idea of well-being with regard to the physical or mental frame. Strength relates to the vigor of the natural powers, and expresses the idea of well-being with regard to the ability of exertion. Wealth relates to the command of external things that gratify desire, and expresses the idea of well-being with regard to possessions or property. Now, as social health must mean something different from individual health, and social strength something different from individual strength; so social wealth, or the wealth of the society, the larger man or Greater Leviathan of which individuals living in civilization are components, must be something different from the wealth of the individual.

In the one economy, that of individuals or social units, everything is regarded as wealth the possession of which tends to give wealthiness, or the command of external things that satisfy desire, to its individual possessor, even though it may involve the taking of such things from other individuals. But in the other economy, that of social wholes, or the social organism, nothing can be regarded as wealth that does not add to the wealthiness of the whole. What, therefore, may be regarded as wealth from the individual standpoint, may not be wealth from the standpoint of the society. An individual, for instance, may be wealthy by virtue of obligations due to him from other individuals; but such obligations can constitute no part of the wealth of the society, which includes both debtor and creditor. Or, an individual may increase his wealth by robbery or by gaming; but the wealth of the social whole, which comprises robbed as well as robber, loser as well as winner, cannot be thus increased.

**Supreme Court Justice Louis Brandeis**

We can have a democratic society or we can have concentration of great wealth in the hands of the few. We cannot have both.

**Charles Avila - Ownership Early Christian Teaching, pp.87-88, 94-95**

"It is not wealth, therefore, that is evil, but the illegitimate use of it...Every creature of God is good,...so now I am not accusing the rich, nor do I begrudge them their wealth...Money is called *chremata* so that we may use it (*chresometha*), and not that it may use us. Therefore possessions are so called that we may possess them, not they possess us. Why do you regard the master as a slave? Why do you invert the order?

...Tell me, then, how did you become rich? From whom did you receive it. and from whom he who transmitted it to you? From his father and his grandfather. But can you, ascending through many generations, show the acquisition just? It cannot be. The root and origin of it must have been injustice. Why? Because God in the beginning did not make one man rich and another poor. Nor did He afterwards take and show to anyone treasures of gold, and deny to the others the right of searching for it: rather He left the earth free to all alike..

Why then, if it is common, have you so many acres of land, while your neighbor has not a portion of it...? But I will not urge this argument too closely. Let us grant that your riches are justly gained, and not from robbery. For you are not responsible for the covetous acts of your father...or granting that he did not obtain it by robbery, that his gold was cast up somewhere out of the earth..

What then? Is wealth, therefore, good? By no means. At the same time it is not bad, you say, if its possessor be not covetous; it is not bad, if it be distributed to the poor; otherwise it is bad; it is ensnaring. 'But if he does no evil, though he does no good, it is not bad,' you argue. True. However, is this not an evil, that you alone should enjoy what is common? Is not 'the earth God's and the fullness thereof'? If then our possessions belong to one common Lord, they also belong to our fellow-servants. The possessions of one Lord are all common." -John Chrysostom

**Hari Prasad Shastri**

"Sampadah" [wealth] means something more than physical and material wealth - it means also mental and spiritual prosperity..

**Hari Prasad Shastri - The Heart of the Eastern Mystical Teaching, pp.235-6**

Wealth is a great blessing, but like many other gifts of God such as youth and intellect, it is easy to abuse. Our Shastras say that one comes to wealth in this life as a result of benevolent deeds in past lives. I personally do not believe that ill-gotten wealth stays long with its owner. Wealth is not able to make one happy, but it can promote happiness when judiciously used. A great danger attendant on the accumulation of wealth is that it often leads to lassitude and a life of ease and luxury and, when the body is improperly fed and time is spent in personal extravagance, the nerves of the wealthy man weaken and cry out for more and more stimulants and continuous excitements. Ultimately the mind is weakened, and the spiritual faculties of discrimination, self-reliance and aesthetic appreciation of nature, poetry and stories of the Lord become totally dulled. In this way wealth can ruin its possessor and turn him into a hypochondriac and a vicious tyrant.

God gives wealth to men so that they can contribute to the happiness of the less fortunate. Wealth is a trust to be utilized in promoting the physical, moral and spiritual welfare of the poorer classes. There is a verse in the Mahabharata which says: "The beggars, O king, do not come to thy door to beg, but to teach a lesson. In past incarnations we spent our wealth on ourselves and now we are beggars." It is therefore proper for a wealthy man to understand his responsibility.

**The Hymns of Sankara - Verse 2 pp.40-2**

O fool! leave off the desire for accumulation of wealth; create in the mind thoughts about Reality, devoid of passion. What you get - i.e. what you have achieved through your past deeds - with that, satisfy your mind.

One of the desires that depresses man and degrades him is the desire for wealth. Attachment to property is the source of endless worry. There is travail in acquiring property; there is strain in preserving it; and there is pain when it is lost. It is foolish to imagine that wealth will bring in happiness. Man is not satisfied with any amount of wealth (Katha Upanisad, I, 27). In the world, it is not observed that the gain of wealth



affords contentment to any (Sankara). In the Brhadaranyaka Upanisad, Maitreyi puts this question to her husband Yajnavalkya: "Sir, if this entire earth filled with wealth were mine, would I be immortal through that?" Yajnavalkya replies "No", and adds: "Your life will be just like that of people of means; but there is no hope of immortality through wealth." Even conceptually, says Sankara, there is no hope of immortality through wealth-produced work. In his Varttika on the present text, Suresvara makes Maitreyi ask Yajnavalkya: "If wealth makes for immortality, why do you want to give it away?" Work, dependent on wealth, cannot be the means to release, even as fire is not the remedy for burning. And so, Maitreyi's request to her husbands is: Please do not give me the material wealth that perishes. That Wealth which has no beginning, middle, nor end, that Wealth which does not get depleted through enjoyment - let that Wealth alone be given.

In the present verse of the Bhaja Govindam, Sankara reminds us of the futility of accumulation of material wealth. Passionate attachments vitiate the mind and render it unfit to receive the light of truth. Hence, the passions should be removed from the mind. One should cultivate dispassion and detachment. Non-thirst should take the place of thirst. When the mind has been emptied of all its passions and attachments, with what should it be filled? The answer is: with meditations on Reality; with thoughts about the Real. The Real is that which is not altered by time; it is the eternal Self, the supreme God, *Brahman*. *Brahman* is eternal, pure, of the nature of consciousness, ever free; it is the truth, subtle, pure existence, all-pervading, non-dual, and the ocean of bliss. These ten expressions are used to indicate the nature of Reality.

The meaning of the present verse, so far, is: Leaving off the three desires (for son, wealth, and the world), be engaged diligently in listening to the Vedanta texts, reflecting on their meaning, and meditating on the truth.

If one has to give up acquiring wealth, how is one to live, it may be asked. The reply is: let him live with whatever comes to him as a result of his past *karma*. Let him offer the fruits of his present deeds to God, so that his mind may become pure. Let him subsist on whatever comes his way, without coveting.

## **Work**

### **The American Heritage Dictionary**

- n.
1. Physical or mental effort or activity directed toward the production or accomplishment of something; toil; labor.
  2. Employment; a job.
  3. The means by which one earns one's livelihood; a trade, craft, business, or profession.

Synonyms: work, labor, toil, drudgery, travail. These nouns refer to the exertion of physical or mental faculties in order to accomplish something, contrasted with play or recreation.

Work is the most widely applicable; it alone can refer not only to the effort of persons but also to the activity of machines and of the forces of nature.

Labor is largely restricted to human effort, especially physical and manual.

Toil is principally applicable to strenuous and fatiguing labor.

Drudgery, to dull, wearisome, monotonous, and sometimes demeaning labor.

Travail, to work involving great effort and pain or suffering.

### **Robert Heilbroner - The Worldly Philosophers, pp.26-27**

The absence of the idea of gain as a normal guide for daily life - in fact the positive disrepute in which the idea was held by the Church - constituted one enormous difference between the strange world of the tenth to sixteenth centuries and the world that began, a century or two before Adam Smith, to resemble our own. But there was an even more fundamental difference. The idea of "making a living" had not yet come into being. Economic life and social life were one and the same thing. Work was not yet a means to an end - the end being money and the things it buys. Work was an end in itself, encompassing, of course, money and commodities, but engaged in as part of a tradition, as a natural way of life. In a word, the great social invention of "the market" had not yet been made.

### **Robert Heilbroner - Behind the Veil of Economics, pp.85-92,102-3**

Our theme of subordination and freedom thus begins to appear as

the central relationship that defines the act of work itself. Work cannot be depicted solely in terms of objectively defined tasks. The essence of work is that these tasks are carried out in a condition of subordination imposed by the right of some members of society to refuse access to vital resources to others.

The consequences of this subordination touch many facets of work, as we shall see. First, however, we must inquire a little further into the advent of this epochal change. Work as we now understand it appeared some five thousand years ago with the coming of civilization, a term by which I mean not merely the systematic accumulation of material wealth and high culture but the displacement of the domestic mode of production by various kinds of centralized modes. In these modes, the control over resources does indeed become a defining feature of society, usually lodged in the prerogatives of godlike kings and surrounding retinues of priests and nobles, who defend their rights with military force, laws, and punishments.

It is impossible to exaggerate the significance of this extraordinary change in the human condition. It is perhaps the greatest inflection point in social experience, whose mythic representation is the expulsion from the Garden of Eden. Thereafter, the Bible tells us, mankind lives by the sweat of its brow. As we can interpret that exodus, the change describes the end of the era of self-regulated, socially unimpeded access to the bounties of nature, and the commencement of the human history of work.

We do not know why mankind made this leap from primitive freedom and equality to subordination and inequality. Population growth may have forced neighboring bands into conflicts that ended in sub- and super-ordination. Climatic events, such as the Ice Age, may have pushed horsed nomads into contact with, and then super-incumbency over, agriculturists - according to the German historian Rustow, the possible origin of the myth of the conquering centaur. Or perhaps the relatively benign advent of social stratification became the less benign institution of social domination. The matter remains obscure. What is certain, however, is that the change occurs as a fulcral moment for societal evolution, bringing with it the precious achievements and horrendous pains of civilized existence.

Let us look for a moment at these pains and pleasures as they affect the new social activity called work. The necessity to

obtain the permission of the owners of resources to gain access to them has universally entailed one main condition: those needing access have agreed to surrender a portion of their work-product to those who controlled those resources. Thus the act of work, as the manner in which human energy is concerted under civilization, is inextricable from exploitation. That is a word before which we tend to wince. But in early civilization it is not difficult to see it nakedly apparent and coercively enforced. The figures of the rent-racked peasant and the abused slave are inextricable from the centralized mode of production. Exploitation is thus the economic face of centralized political and military power. It is the dark nether world of civilization.

...Work takes on a second aspect in the centralized mode of production because it is channeled into activities that require not merely skill but education, not merely judgment but equipment. These activities create the new social category of the craftsman - the skilled worker - who emerges in civilization as a special kind of worker. The craftsman produces wares that the ruler admires and wants, but he is dependent on the ruler for his livelihood. Thus architecture, armaments, engineering; sculpture, music, literature; jewelry, raiment, even cuisine give rise to their practitioners - their skills as remarkable as those of the hunter, but their status much more ambiguous. On the one hand, the finished work of the craftsman is admired; on the other, his social place remains inferior.

Before these contradictory significances of work, ancient observers of society stood in considerable confusion. Socrates was accused of inculcating a slavish attitude in his pupils by teaching that work was not necessarily demeaning - a mistake that his best pupil, Plato, and Plato's best pupil, Aristotle, did not repeat [Hannah Arendt, The Human Condition (1958), p. 82, n. 7]. This denigration of work - even skilled work - can only be understood from the viewpoint of the genesis of work, with its intrinsic principle of submission to the power of another. It is impossible not to admire the product of the craftsman, but dangerous to admire the person, for that would be to accord honor to submission or worse, to criticize the legitimacy of the very principle of stratification itself.

Much of the subsequent tortuous history of the moral evaluation of work involves efforts to reconcile the contradictions of labor as a value-creating activity and as an ignoble station. It is here, of course, that Christianity plays its important subversive

role, extolling work because of its submissiveness, the humble attitude of the worker symbolizing the appropriate attitude for the servant of God. I shall not attempt to review that lengthy narrative with its climatic triumph of a "work ethic" under Luther and Calvin but will content myself with pointing out that the whole issue of the moral and social ambiguity of work would be incomprehensible if work itself were not originally tainted by its inherent submission. It is against this long-forgotten social condition that the ethical struggles to justify work must be understood.

...Let us now continue with our theme by moving from homo laborans, the special concern of the Church, and homo faber, the favorite of the Court, to a new hero of work, homo oeconomicus, the discovery of the emerging arbiters of social values, the political economists.

The early economists were essentially concerned with explaining the nature and logic of a new mode of production that was beginning to shoulder aside older centralized modes by the eighteenth century - the mode of capitalism. Not surprisingly, they placed the act of work, and its integration into the social whole, at the very center of their explanations, and for this very good reason: of all the changes that capitalism brought, none was more striking than the manner in which it marshaled and allocated labor. The relationships of lord and peasant, master and slave, the main forms of work-submission for five thousand years, disappeared, and in their place rose that of the waged worker, entering into a contractual engagement of "employment" through a network of society-embracing markets (the entry of waged labor as an important form of work relationship dates only from about the seventeenth or even early eighteenth centuries. See Jan de Vries, The Economy of Europe in an Age of Crisis (1976), pp.95, 248).

Adam Smith called this new mode of organizing production a society of "perfect" or "natural" liberty, for men entered into the crucial relationship of employment on the basis of their own decisions to do so and terminated that relationship on the same self-determined basis. In a word, they chose what they wanted to do; and decided whether to do it on the terms at which work was offered. Never mind the obvious limitations of this choice, of which we shall speak later. The initial thing to grasp is how revolutionary - how free - was this condition of work compared with slavery or serfdom, or even with the milder form of

apprentice to a guild master.

Yet, in the light of our historical perspective we can see that it was not "perfect" or "natural" freedom. For whereas the individual was indeed free to seek work as he or she wished, in the vast majority of cases this still required crossing over the barrier of property to gain access to land or equipment. Presumably the owners of resources under capitalism exacted a toll from those who sought access to them, as had been the case ever since the domestic mode disappeared. But what was the nature of this toll?

The answer obviously lay in the rents and profits that accrued to property. But a mystification arose under capitalism, in that rents and profits were not coercively seized as had formerly been the case. There was no bailiff in the fields of the capitalist farmer to separate the owner's grain from the peasant's. No overseer exercised expropriative powers at the factory gate, taking the capitalist's share of the product. On the contrary, the worker was paid a wage for his work, and kept that entire wage. Moreover, the wage was not set by the employer but by the forces of the marketplace, where workers and capitalists met as legal equals, each side entitled to seize whatever penny of advantage it could.

What was then the source of rents and profits? As we already know, Smith saw it in a fundamental inequality of bargaining strengths that prevented labor's wages from absorbing the full value of the product. "A landlord, a farmer, a master manufacturer, or a merchant," he wrote, "though they did not employ a single workman, could generally live a year or two upon the stock [capital] which they had already acquired. Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment (Smith, Wealth, p. 66). Thus the "necessity" of employment, despite the contractual freedom that set it so decisively apart from the status of serf or slave, provided the disparity in social power from which arose the rights to payment called rent, or to claims to a residual called profit, without which the access to resources called employment would not be offered.

Were these rent and profit "deductions" (as Smith called them - Ibid., p. 65) a new form of exploitation? Here the matter became more difficult to analyze. There was never the slightest doubt as to the exploitative character of the wealth that appeared as

pyramids and temple complexes, wrung from forced labor and devoted to the glory of Olympian rulers. But what of the factories and mills that were the great works of capitalism? However skewed the bargaining arrangement, the labor that built those edifices of capital was freely hired and could freely quit. And whatever profits the mills and factories earned, their justification was not the vainglory of their owners but the creation of flows of commodities, more and more of which were destined for consumption by the working classes themselves.

Was this still exploitation? No such idea appears in Smith, despite the use of the word deductions. In Marx, as we know, the theme of exploitation is central, based at bottom on an analysis of social relationships not so different from Smith's unequal bargaining strengths. What is different is that Marx sees capitalism as possessing a remarkable capacity to conceal the exploitative nature of its gains by the fiction of an active "Monsieur le Capital" and "Madame la Terre" who make contributions to, not exactions from, the total product. As for modern economists, the issue has largely been forgotten. The substitution of pyramids of commodities for pyramids of stone has pushed the issue out of consciousness and perhaps conscience. This is not surprising in light of what capitalism has brought: in 1750 the level of material well-being in Europe was roughly equal to that of the parts of the world we today call underdeveloped. By 1930 the level was four times higher; today it is seven times higher.

...Yet that is not quite the end of the matter. Some form of supervision is unavoidable in a technologically inter linked and technically dangerous world. But the question is what sort of supervision that might be. In the past, the directing, order-bestowing force has been that of domination - the largely unchallengeable hegemony of small groups whose objectives and values determined the manner in which the great mass of humanity would find access to livelihood. That describes the nakedly exploitative character of the civilizations of the ancient Chinese and Aztecs and Egyptians and Europeans. It still applies to much of the civilization of modern times.

Must this condition of domination continue? Or is it possible that the submission and discipline of work might become the free act of obedience of all members of society to their own purpose, not to those of a small minority? Can work, the first and perhaps most basic form of social subordination, become the first

and perhaps most emancipatory form of social responsibility? Can men and women, by regulating their own relationships and obligations of work, establish a foundation on which will rest similar self-regulation of other aspects of the human condition?

I do not intend to answer these questions, either in the pious affirmations or the skeptical negatives to which they so easily lead. We will only learn their answers by struggling to achieve whatever freedom is possible within work - not from work. I will content myself by pointing out that these are immense questions - at once sobering and inspiring - to which any inquiry into the implications and meanings of the act of work must finally come.

**E.F. Schumacher - in the preface to The Liberation of Work by Folkert Wilkin**

Fortunately, Man does not merely like to work. His happiness is absolutely dependent on it. He needs an outlet for his energies; he needs to utilize and develop his potential; he needs to join with other men for mutual stimulation in productive companionship.

These are overpowering needs, and a man faces virtual destruction if they cannot be met. He may find this or that substitute, this or that palliative; but not for long. To be without work - which is not the same as being without employment - is slow death, just like being without food, only slower.

The human stage, therefore, is set for the creation of wealth, in as much as wealth presuppose Man's work, and work is what Man needs for his happiness even more than he needs wealth.

**E.F. Schumacher - Good Work, pp. 2-4**

Considering the centrality of work in human life, one might have expected that every textbook on economics, sociology, politics, and related subjects would present a theory of work as one of the indispensable foundation stones for all further expositions. After all, it is work which occupies most of the energies of the human race, and what people *do* is normally more important, for understanding them, than what they say, or what they spend their money on, or what they own, or how they vote. A person's work is undoubtedly one of the most decisive formative influences on his character and personality. However, the truth of the matter is that we look in vain for any presentations of theories of work in these textbooks. The question of *what the work does to the worker* is hardly ever asked, not to mention the question of



whether the real task might not be to adapt the work to the needs of the worker rather than to demand that the worker adapt himself to the needs of the work - which means, of course, primarily to the needs of the machine.

Let us ask then: How does work relate to the end and purpose of man's being? It has been recognized in all authentic teachings of mankind that every human being born into this world has to work not merely to keep himself alive but to strive toward perfection. To keep himself alive, he needs various goods and services, which will not be forthcoming without human labor. To perfect himself, he needs purposeful activity in accordance with the injunction: "Whichever gift each of you have received, use it in service to one another, like good stewards dispensing the grace of God in its varied forms." From this, we may derive the three purposes of human work as follows:

First, to provide necessary and useful goods and services.

Second, to enable every one of us to use and thereby perfect our gifts like good stewards.

Third, to do so in service to, and in cooperation with, others, so as to liberate ourselves from our inborn egocentricity.

This threefold function makes work so central to human life that it is truly impossible to conceive of life at the human level without work. "Without work, all life goes rotten," said Albert Camus, "but when work is soulless, life stifles and dies."

**Sir William Osler - A Treasury of Inspiration, pp. 91-2**

Though a little one, the master-word looms large in meaning. It is the "Open Sesame" to every portal, the great equalizer in the world, the true philosopher's stone which transmutes all the base metal of humanity into gold. The stupid man among you it will make bright, the bright man brilliant, and the brilliant student steady. With the magic word in your heart all things are possible, and without it all study is vanity and vexation. The miracles of life are with it; the blind see by touch, the deaf hear with eyes, the dumb speak with fingers. To the youth it brings hope, to the middle-aged confidence, to the aged repose. True balm of hurt mind, in its presence the heart of the sorrowful is lightened and consoled...not only has it been the touchstone of progress, but it is the measure of success in

everyday life...the master-word is WORK.

**Leo Tolstoy - 23 Tales, pp. 229-30**

And the grandfather answered, "My field was God's earth. Wherever I plowed, there was my field. Land was free. It was a thing no man called his own. Labor was the only thing men called their own."

"Answer me two more questions," said the King. "The first is, why did the earth bear such grain then, and has ceased to do so now? And the second is why your grandson walks with two crutches and your son with one and you yourself with none? Your eyes are bright, your teeth sound, and your speech clear and pleasant to the ear. How have these things come about?"

And the old man answered: "These things are so, because men have ceased to live by their own labor and have taken to depending on the labor of others. In the old time, men lived according to God's law. They had what was their own and coveted not what others had produced."

**Lanza del Vasto - Return to the Source, pp.102-3**

The truth is that man needs work even more than he needs a wage. Those who seek the welfare of the workers should be less anxious to obtain good pay, good holidays and good pensions for them than good work, which is the first of their goods.

For the object of work is not so much to make objects as to make men. A man makes himself by making something. Work creates a direct contact with matter and ensures him precise knowledge of it as well as direct contact and daily collaboration with other men; it imprints the form of man on matter and offers itself to him as a means of expression; it concentrates his attention and his abilities on one point or at least on a continuous line; it bridles the passions by strengthening the will. Work, bodily work, is for nine-tenths of humanity their only chance to show their worth in this world.

But in order that work itself, and not just payment for it, shall profit a man, it must be human work, work in which the whole man is engaged: his body, his heart, his brain, his taste. The craftsman who fashions an object, polishes it, decorates it, sells it, and fits it for the requirements of the person he intends it for, is carrying out human work. The countryman who gives life to his fields and makes his flocks prosper by work

attuned to the season is successfully accomplishing the task of a free man.

**De Lubicz, as quoted in Baba Ram Dass - Be Here Now, p. 71**

What you receive depends on what you give. The workman gives toil of his arm, his energy, his movement; for this the craft gives him a notion of the resistance of the material and its manner of reaction. The artisan gives the craft his love; and to him the craft responds by making him one with his work. But the craftsman gives the craft his passionate research into the laws of Nature which govern it; and the craft teaches him Wisdom.

**Thomas Carlyle - A Treasury of Inspiration, pp.109-10**

There is a perennial nobleness, even sacredness, in Work. Were he never so benighted, forgetful of his high calling, there is always hope in a man that actually and earnestly works; in idleness alone is there a perpetual despair..

Even in the meanest sorts of Labor, the whole soul of a man is composed into a kind of real harmony, the instant he sets himself to work! Doubt, Desire, Sorrow, Remorse, Indignation, Despair itself, all these like hell-dogs lie beleaguering the soul of the poor day worker, as of every man; but he bends himself with free valor against his task, and all of these are stilled, all these shrink murmuring far off into their caves. The man is now a man. The blessed glow of Labor in him, is it not as purifying fire, wherein all poison is burnt up, and of smoke itself there is made bright blessed flame!

Blessed is he who has found his work; let him ask no other blessedness. He has a work, a life-purpose; he has found it, and will follow it!...Labor is Life: from the inmost heart of the Worker rises his God-given Force, the sacred celestial Life-essence breathed into him by Almighty God;...Properly thou hast no other knowledge but what thou hast got by working: the rest is yet all a hypothesis of knowledge; a thing to be argued of in schools, a thing floating in the clouds, in endless logic-vortices till we try and fix it. "Doubt, of whatever kind, can be ended by Action alone."

...All true Work is sacred; in all true Work, were it but true hand-labor, there is something of divineness. Labor, wide as the earth, has its summit in Heaven. Sweat of the brow; and up from that to sweat of the brain, sweat of the heart; which includes all Kepler calculations, Newton meditations, all Sciences, all

spoken Epics, all acted Heroism, Martyrdoms --- up to that "Agony of bloody sweat", which all men have called divine!

**Aldous Huxley**

Learn to combine relaxation with activity; learn to do what you have to do without strain; work hard, but never under tension.

**Lao Tzu - Tao Te Ching**

I learn hereby of a work that is invisible and seems like rest. How few know of a teaching that is silence; of a work that is not work, and is peace.