


The Void in College Curricula



by

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Do you really want to understand the economics of location or site value? Do you want to face frankly and hear discussed without embarrassed withholding of vital considerations the question of the right to use natural resources? Do you want to examine, in all of its significant aspects, the economic consequences of the fact that, in our existing system of property and taxation, a majority must pay to a comparatively few, billions of dollars a year for community-produced location advantages,—i.e., for permission to work and to live on the earth in those locations where such advantages are available? And do you want to gain a full understanding of the consequences to be expected should government, by taxation, appropriate this annual community-produced location value as a first source of revenue for public expenditures?

If you really desire a full comprehension of this problem, you should probably take one or more courses in **The Henry George School of Social Science**.

I do not mean to say that you can learn about the problem nowhere else. There are teachers of economics in a few of our universities and colleges who do really give their classes assignments on the problem and even, perhaps, take some pains to make them analyze the principles involved in its solution. But this is not generally the case. In most colleges and universities the student will either never have his attention called to the subject at all, or he will be offered the briefest summary, not in the least calculated to make him understand what can be said in favor of the taxation of land values, followed by a "refutation," but with no mention at all of considerations which have again and again been presented in rebuttal.

Not long ago the very "liberal" St. Louis Post Dispatch editorialized, with apparent satisfaction to the editorialist, on the inability of a certain conservative organization to stamp out senti-

ments of criticism and protest among college students. After commenting on the persistence of socialistic and communistic groups the editorial continued: "Here and there, even, an occasional single taxpayer is found boring from within some department of economics." The implication (though emphasis is my own) seems clear enough that the land-value tax philosophy gets definitely less adherence than the philosophy of socialism or of communism which, in turn, has the adherence of a comparatively small minority.

At least one economist tells us that, in matters on which there is controversy among his fellows, he has sought to be "meticulously objective." He appears to believe that he can thus avoid any suspicion of being a propagandist. But, in truth, fair suspicion of being a propagandist or, at least, a near-propagandist, is not to be so easily avoided. "Propaganda" may express itself in the very selection of topics for presentation; in determining how much space to allot, relatively, to the affirmative and to the negative side of an argument; in deciding which view is to have the last word; in the somewhat disingenuous neglect to make perfectly clear to readers or listeners the grounds upon which the intelligent opposition would rest its case,—and, after all, who of us does not strive harder to make clear the arguments for beliefs we ourselves hold than the arguments for beliefs which, rightly or wrongly, we disapprove? "Propaganda" may express itself in the easy acceptance and uncritical presentation of arguments which even a little analysis would show to be invalid or irrelevant. Indeed, silence may sometimes be "propaganda," if not by formal definition at least in practical effect.

Under the circumstances, with a majority of professors of economics seemingly unfriendly to the most essential elements in Henry George's economic philosophy, it is hardly to be wondered at that this philosophy does not receive a complete presentation—when it receives any presentation whatever—in most institutions of the so-called "higher learning."

An interesting example of the type of argument presented by well known academic econo-

mists against the view that the rental value of sites and natural resources should go to the public, is to be found in "Public Finance" (2nd edition) by Harley Leist Lutz of Princeton University. Professor Lutz, discussing the local use of the "single tax" in cities of Northwestern Canada, says that "the taxes on land value were a fairly satisfactory source of support as long as the community making use of it was growing and its land values were rising," but contends that this method of taxation "ceased to be satisfactory as soon as the peak of land value inflation was reached" and refers, with apparent approval, to the "reaction against a narrow tax base."

Commenting on this discussion in my book "The Economic Basis of Tax Reform," in 1932, I pointed out that whether land values are increasing is not the matter of chief importance in deciding whether the tax "base" is too "narrow" to yield adequate revenue to the public, but that the real question is whether the total annual economic rent is sufficiently great; and that, so long as a land-value tax leaves to private owners any considerable amount of economic rent, there is no sense in calling the tax base too narrow. And I further pointed out that even if such a source did prove to be inadequate from the point of view of securing sufficient revenue, this would be no argument against relying on it for as much revenue as it could be made to yield.

I then remarked on the fact that, in a book on public finance extending to 750 pages and treating at length various kinds of taxes and taxing systems, Professor Lutz was able to spare scarcely more than three pages for a consideration of land-value taxation, and that the major part of these three pages was given over to a brief discussion of a temporary exemption of new dwellings in New York State, leaving only one page—the page on which the land-value taxes in Northwestern Canada were discussed!—that is really devoted to the land-value-tax program.

The sequel is interesting. Perhaps—who can tell!—it is even significant. Recently Professor Lutz brought out a new edition (the 3rd) of his book, considerably enlarged. The new edition contains not just an insignificant 750 pages, but

940 pages, covering numerous and varied ideas and practices in government finance and taxation. But of the problem of land-value taxation or of the arguments in support of such taxation or of reference to Henry George who so effectively pleaded for this reform, there is now not a single sentence. The criticism of the use of the "single tax" in Northwestern Canada, on which I commented in my book, is neither revamped nor further developed. It has simply disappeared. And with it, unless in my search I have inadvertently overlooked it, has disappeared all reference to the single tax or to any special taxation of land values.

And so the student at Princeton University—or at any of the colleges where Lutz's now massive book is the chosen text—who takes a year's course in public finance based on this text, can easily, however faithfully he works at his assigned lessons, come out at the end utterly unaware that anyone, anywhere, has ever suggested either the exclusive or, even, the especially high taxation of land values.

If not all text books in public finance and taxation ignore the issue thus thoroughly, it is certainly the case that various others give it only a tiny bit of attention. It is altogether probable, therefore, that the typical college student who pursues one or more courses in public finance or taxation for a semester or for a year in the typical American university or college, finishes his course with not a glimmer of understanding of the "single tax" or land-value-tax theory, although, indeed, he may imbibe a prejudice which will prevent his ever thereafter giving it serious consideration; and frequently enough—as when the course is based on Lutz's text or some other text of similar nature—he finishes with no awareness that there is any such theory.

Is it not reasonably clear that teachers who use such texts, unless with extended supplementing, are altogether willing—even if not positively desirous—that the land question shall be entirely omitted from consideration?

In view of the large number of teachers and educational institutions whose courses in public finance fit one of the descriptions above, has not

The Henry George School of Social Science a task fully as important in educating college graduates as in educating those who have never attended college?

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In the multiplicity of courses offered in the economics departments of our many American universities and colleges, only a few students probably take the course or courses dealing specifically and solely with government finance and taxation. Is there any other place in our college departments of economics where the student might possibly acquire some understanding of the theory of land-value taxation? He will not acquire it in the course devoted to the study of corporations and corporation finance, or the course or courses on the theory of money and banking, or the course in marketing, or in labor problems and trade unionism, or in monopolies and trusts, or in public utility economics. Teachers of these courses, if they ever think about the land question at all—as a majority of them probably won't—will most likely consider the question irrelevant to their particular subjects and an unjustifiable digression.

And so there is no course where the student has much more than an infinitesimal chance of hearing anything whatever about the land question—other than the course in taxation where, as we have seen, he may hear nothing about it, or a special and rarely given course in “radical economic reforms” where it is considered along with socialism, communism and anarchism!—unless he hears about it in the course in introductory economics, the so-called “principles” course. What, then, are the chances that he will learn much, or anything, about the land question and the theory of land-value taxation in this course?

One way to find out is to examine the current text books in “Economics,” “Introduction to Economics,” “Essentials of Economics,” “Principles of Economics,” etc.

A typical text-book presentation of the matter is that of Professor Willford Isbell King in

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the book, “Economic Principles and Problems,” edited by Professor Walter E. Spahr (both of New York University). Professor King asserts that Henry George based his conclusions on a doctrine of “natural rights.” King then argues that “no person has any ‘natural right’ to anything—even to life itself,” since “rights are nothing but social arrangements created by governments” and “represent whatever the law makers deem best for the citizens.” Further on in his criticism, Dr. King refers to the single-tax program as “injustice of the grossest sort.” Apparently, then, King believes that people do have “rights” which are more fundamental than the “social arrangements created by governments” and more fundamental than “whatever the law makers deem best for the citizens,” at any rate if the law makers should some day come to consider the “single tax” to be “best for the citizens.” For he here pretty clearly expresses the opinion—does he not?—that it would involve “injustice,” i.e., that it would not be right for a government to create the particular kind of “social arrangement” advocated by Henry George. Thus, although, according to Professor King, “rights” are “nothing but social arrangements created by governments,” nevertheless if governments create any social arrangements disapproved by Professor King, such arrangements are wrong.

The typical “refutation” of the “single tax,” then—for I have already indicated my belief that King’s treatment is typical—contends as follows: (1) that men do not have any “natural” right to work on or to live on the earth; (2) that a system under which the many must pay the few for permission to so work and live does not violate any “right”; (3) that, however, a change in the tax system, under which change the sums paid to landowners for this permission should thereafter go to the community, would be an “injustice,” i.e., presumably would violate the “right” of landowners not to have their incomes and the sale value of their property in land reduced. In other words, no “rights” are “natural,” i.e., above or superior in authority to the rights conferred or created by governments; while yet the “right”

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to have forever and with no diminution from any increase in the comparative rate of taxation on it, the land rent which private owners have been so long allowed to enjoy, definitely is superior in authority to any "social arrangements created by governments" which may be in conflict with this "right"!

In regard to the matter of "injustice" to land-owners, there are certain important considerations in rebuttal that the writers of such textbooks as Spahr's practically never call to the attention of students, even to express disapproval of them. These considerations are, briefly:

(1) Any change in the interest of the common welfare, if at all significant, must probably involve such "injustice" to some. Thus, if previously unregulated monopolistic public utility rates are forcibly lowered, the stockholders suffer reduction in their incomes and in the sale value of their property. But we do not say that the public must therefore pay exorbitant rates forever. If tariff rates are lowered, there is loss of income to those in the industries formerly protected, and if rates are raised there is loss to producers for export whose raw materials now cost more. If slavery is abolished, either the incomes of and the property owned by slave owners are greatly reduced or, in case the slaves are paid for out of tax money, then the incomes of (and perhaps the property owned by) those who have to pay these taxes, are reduced.

(2) Governmental policy, not only in other matters but also in taxation, has often changed in the past. It may reasonably be contended that no one buys ownership in a monopoly business, a tariff-protected industry, slaves or land, with any binding pledge from society that its policy is never to change. And the extreme view of a number of economists—including, I am sure, Professor King—that society, which does make frequent changes in policy in other respects, has no "right" ever to move, even by gradual steps, in the direction of the public appropriation of the rental value of sites and natural resources, would appear silly, I think, to the very economists who hold it, if the present land system were not their sacred crocodile!

Strict accuracy forbids that I should include among the texts which do not even mention this program, such books as "Modern Economic Society" by Professor Sumner H. Slichter of Harvard. Professor Slichter does indeed mention it! He devotes two paragraphs—more than half a page—to suggestions for "taxing unearned incomes." In these paragraphs he considers briefly the taxation of inheritances and the taxation of "excess profits." The "proposal of the single taxers" receives the remaining six lines and a half, plus a two-line footnote!

Some teachers of economics like to use selected passages, culled from various sources and discussing various current problems and controversies, as part of the required reading for their students. One of the recent publications prepared for this purpose is "Contemporary Economic Problems," edited by Professor Horace Taylor of Columbia University and associates. When I learned of this book I became curious to know whether the editors considered the land-value-tax program important enough to justify a passage on it and I searched the table of contents with some care. I was unable, however, to find any reference to that program or any title which seemed to have the remotest connection with it.

One of the interesting cases of omission is that of the recent text, "Elements of Modern Economics," by Dr. Albert L. Meyers, an economist of the United States Department of Agriculture who received his graduate training in economics at Harvard. The "modern" presentation of economics offered in this text is emphasized in its very title. The book is enthusiastically touted for this "modern" or "up-to-date" treatment, by its publishers. A circular put out by the publishers, urging the adoption of the book as a class text, contains so many favorable testimonials from teachers as to remind one of the old-fashioned patent medicine circulars. And the presentation is "modern," at least in that it evidences acquaintance with the theory of "imperfect" or "monopolistic" competition recently stressed by Joan Robinson and by E. H. Chamberlin. But on the question of the ownership

of the earth and of who should pay whom for community-produced location advantages, I have been able to find in this book never a word.

Apparently—for how shall one judge except by the encomiums in the teachers' testimonials?—this is the type of text many of the teachers want. Apparently many of them prefer either not to have the matter of land-value taxation mentioned in the text book they use in their beginning course, or are entirely indifferent as to whether it is discussed or not; or else they just never think about the matter at all and are not conscious of either preference or indifference.

Of course it is conceivable that the professors are personally very different in their interests, outlook and emphases from the books they select for their classes to study. It is conceivable that, choosing text books which "refute" the "single tax" in a few well-chosen (!) words or which never mention the land question at all, these professors nevertheless discuss the question at great length in their lectures, taking pains to make the argument for taxing land values clear and complete and to present fully and fairly the best answers to the objections they bring up, and that they spend many hours discussing the pros and cons of the policy with their classes. But though these things may be conceivable, they seem hardly probable!

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A distinguished friend who teaches economics in a well-known university asserts that "most economists don't understand the single tax." Whether or not this is a correct diagnosis I shall not here attempt to say. But considering what is offered to them in their courses as undergraduate and graduate students—now brief summary followed by "refutation," and now silence—we ought perhaps to feel surprise if any appreciable number of economists did understand it.

There just doesn't seem to be any special inducement to the budding young economist to try to understand the land-value-taxation argument, even if he happens to learn that such an

argument has been seriously advanced. For one thing, no attention is commonly paid to it in the conferences of his professional confreres. Conceivably, the reason is that the subject would generate too much heat. But it is perhaps a better guess that the land-value-tax topic—so seldom adequately discussed in the text books or taken seriously in the academically "best circles"—is not, to the present generation of economists, a live and exciting issue. It is not one of those subjects, such as "institutionalism," "liquidity preference" and "monopolistic competition," awareness of which stamps an economist as "up to date." And so it very likely never occurs to the program makers to find a place for it on their programs.

If nevertheless an occasional young economist vaguely wonders whether there might possibly be more in the "single tax" idea than he has been taught, the chances are that he will be less inclined to pursue the subject further when he senses that to do so will merely cause him to be looked at, by many of his fellows in the craft, with "high-brow" suspicion. Only recently I was told in personal conversation by an economist author who had expressed himself favorably towards Henry George and the single-tax idea, that he had taken considerable "razzing" from colleagues on account of it.

In March, 1922, an article by Professor John R. Commons of the University of Wisconsin, entitled "A Progressive Tax on Bare-Land Values," appeared in the *Political Science Quarterly*. This is one of the "learned" periodicals in the field of politics and economics, and is published by Columbia University. In the case of Professor Commons' article, the editors seemed to feel obliged to protect themselves from any suspicion of harboring ideas favorable to land-value taxation. They therefore inserted, as a footnote to the article, this statement: "In accordance with the custom of the *Political Science Quarterly*, the Editors disclaim responsibility for theories or policies advocated by contributors."

The "learned" periodicals publish articles both good and bad, both logically coherent and fallacious. Not infrequently different writers par-

ticipate in controversial discussion in their columns, expressing widely divergent views. Readers certainly have no right to assume and, I am sure, do not commonly assume, that the views expressed by contributors are therefore the views of the editors. And editors do not ordinarily feel it necessary to warn readers against such an assumption. Indeed, I cannot remember any other time when I have seen any such warning in connection with any article in any such periodical.

Is not the appearance of such a notice to readers, in connection with an article dealing with the taxation of land values, when such a notice appears in connection with no other article, evidence of a peculiar fear as regards this subject? Is this fear, perhaps, just a fear that the editors, through suspicion of too close an association with the land-value-tax proposal, might be regarded as having violated the best intellectual traditions and social etiquette of the academically elite? Or could it possibly be something like the fear which, in a pre-civil-war Southern university, might have made even somewhat "liberal" faculty members desire to protect themselves against any suspicion of harboring "abolitionist" sympathies?

Anyhow, is it reasonable to suppose that the average college or university graduate, even though he may have "majored" in economics, will have any understanding whatever of the reasons why a system of public appropriation of community-produced land values is desirable? Is it reasonable to suppose that he will understand why such appropriation would tend to increase the marginal productivity of labor, to relieve workers of heavy tax burdens, to facilitate slum clearance and diminish tenancy, to encourage the accumulation of capital, or to bring savings from other places into the land-value-taxation area?

Everyone who is well acquainted with student habits knows that few students read anything in relation to their college courses **except what their professors assign**. Some of them—working their way or otherwise busy—cannot. And so the college student is perhaps very much less likely,

in most colleges, to become familiar with the really significant arguments for the public appropriation of the rental value of land than a modern German youth is to become familiar with the arguments in favor of democracy and against Nazi dictatorship or to learn of the good qualities of Jews!

Quite commonly, too, when students pursue their work in economics into the graduate school, nothing whatever is added to what they already know—or, rather, don't know—about Henry George and the taxation of land values.

If, therefore, you do really desire some understanding of this problem, than which nothing in the field of economics is more fundamental, wouldn't it be wise to enroll in The Henry George School of Social Science?

I am inclined to think that we have, in the situation I have been describing, at least a partial explanation of the fact that the modern "liberal" has no apparent interest in the land question or the question of who should enjoy community-produced location values. The liberal of one or two generations ago frequently did have. The liberal of the older generation did not get his economics—at least he did not get so much of or all of his economics—in college. The day when the "social sciences" were to dominate the curricula of the universities had not yet dawned. Also, Henry George had but recently been prominently in the public eye and the influence of his writing and speaking had not died out in liberal circles. And the insidious propaganda of representing his views as "out of date" and generally abandoned and thereby making a considerable number of "intellectuals" feel it useless to investigate them, had not been extensively carried on.

Brought up on the modern brand of intellectual fodder, the present-day "liberal" is subtly steered away from serious consideration of a free economic system and a free earth and is easily led—by the socialist and near-socialist literary intelligentsia—to put his faith in various types of government interference and compulsion. And so "The Nation" has words of praise for cities that are "tax free," i.e., cities which,

by owning the local public utilities, such as electric light plants, water works, etc., and charging their citizens rates that yield a substantial profit, are able to avoid taking in taxation from the private owners of valuable sites, any part of the community-produced annual location rent of land. And Raymond Moley, in his magazine, "To-Day," refers to the land-value-tax proposal as "such crackpotism." And magazines like the "New Republic" and so-called "liberal" newspapers and "liberal" publicists give consideration to every conceivable reform and bizarre theory and proposal except the proposal that we try to do away with a system under which some must pay others for permission to work on and to live on the earth, in those locations which community development has made economically productive and reasonably livable. This is the subject that the "reputable" present-day "intellectual" seemingly will not discuss,—at least not further than hastily to disavow any sympathy for Henry George and the "single tax." It is the subject of the great silence.

If the condition here described changes in the near future, such change will probably come mostly as a result of the growing enrollment and influence of The Henry George School of Social Science. A new generation, containing many idealists who really understand Henry George's philosophy of a free earth and its significance for the common welfare, may then bring an end to the (not always entirely conscious) conspiracy of silence from which this philosophy has so long suffered.

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