

Taking the Professor for a Ride

From The Freeman, November, 1942: "The writer of this article, Mason Gaffney, is a young Chicago Georgist who recently matriculated at Harvard. Perusal of the piece suggests that Freshman Gaffney's chances of becoming teacher's pet in the economics class are decidedly slim."

Unruffled, composed, like a patient father straightening out a wayward son, he said, "You see, my boy, this Henry George lived at a time when the country was growing rapidly, when land values were skyrocketing and great fortunes were being made from speculation. Not being a 'trained economist,' George attached disproportionate importance to this... er... er... land question. Land is, of course, of minor importance in 'economics,' and speculation, well... of trifling significance."

I should like to take this man, my "economics" teacher at Harvard, for a ride from the North Shore area near Chicago straight west on Illinois 58. A well-built-up residential district, one-half to a mile deep, runs far north along the lake shore, to end abruptly in a wilderness of sidewalks, street signs, fire plugs and weeds — but no buildings. Along the roads which gridiron this wasteland speed trucks and pleasure cars, burning gas, tires and time to bridge the miles which, to no purpose, stand between the metropolis and outlying communities.

"Yes," my boss told me as we were riding to work one day, "there was a time when we thought there would be a lot of building out here. Guess I've still got some Land Company bonds in the Wilmette Bank. The company gave the farmer one-third down and agreed to pay the rest when the land was sold. Lots of poor farmers have got the land back now, with stiff taxes to pay on the improvements. Improvements, hell! Those fire plugs don't even have water pipes attached to them."

Ten miles of this and we reach Des Plaines, an oasis called by the natives a "successful development." "Thirty-one minutes to the Loop," boasts the Northwestern R. R. "These Homesites Best Speculation in Chicago Land," exults the land promoter.

Five miles farther west, about fifteen miles from Lake Michigan, the land is at last completely given over to farms. The speculator fires a parting shot at us as we reach the junction with Arlington Heights Road. "The Idle Rich of Today Bought Acres Yesterday," reads his sign.

Yes, I would like to ride with this “economist” out here. He would have trouble then convincing me that speculation is of trifling significance. Probably he would say: “But the men who hold this land are men of great foresight, very valuable men. You can’t refuse to reward foresight; it’s a virtue. Of course a little planning might alleviate these dreadful conditions but, tut, tut, my boy, do you want to destroy free enterprise?”

Reward foresight indeed! Foresight in itself deserves no economic reward. Hitler and Baby-face Nelson at times showed great foresight, yet their loot is by no means sanctified on that account. Only one kind of exertion deserves an economic reward, and that is exertion directed toward the gratification of human desires. Foresight, an attribute of labor, exerted in producing wealth, deserves a reward, and in the free market will bring a reward. But foresight no more justifies speculation in land than superior firepower justifies conquest.

Perhaps it is asking too much to expect a Harvard man to understand this, however. His salary, after all, is paid in part from the proceeds of the foresight of certain friends of the institution who bought up much of the land on which the slums and business districts of Cambridge now stand.

The author reflects: I had just turned 19, and received Greetings from Uncle Sam. Funny how fast one catches on, with the evidence lying outdoors all around you; and funny how southern California today replicates Chicagoland in 1942. Funny, too, how economics profs had their ways of signaling you that looking into land speculation was, well, just not done in elite circles. How little progress we have made since then in understanding and coping with this phenomenon and its derivative ills.