

## **Mason Gaffney** **A Tribute from RSF**

Mason Gaffney died July 16, 2020 at his home in Redlands, California, at the age of 96.

Mase was born in White Plains, NY, October 23, 1923 and lived in Aberdeen, SD, 1924-1929. By 1930, his father was the principal of the high school in Great Neck, NY. By the time he was in high school, his father was superintendent of the New Trier High School in Winnetka, IL. While in high school, he learned of Henry George's thought via an article by Albert Jay Nock, and went on to read *Progress & Poverty*.<sup>1</sup> The arrival of a notice from the Henry George School led him to classes taught by John Lawrence Monroe.

Mase was valedictorian of his high school class of 1941 and combined high school graduation with graduation from the Henry George School of Social Science, for which he wrote an operetta with songs based on Gilbert and Sullivan songs.

From his experience at the Henry George School, he took to heart the philosophy and the economics of Henry George, the central philosophical principle of which, as stated in *Progress and Poverty*, Book VII, Chapter 1, is

The equal right of all men to the use of land is as clear as their equal right to breathe the air—it is a right proclaimed by the fact of their existence. For we cannot suppose that some men have a right to be in this world and others no right.

If we are all here by the equal permission of the Creator, we are all here with an equal title to the enjoyment of his bounty— with an equal right to the use of all that nature so impartially offers. This is a right which is natural and inalienable; it is a right which vests in every human being as he enters the world, and which during his continuance in the world can be limited only by the equal rights of others.<sup>2</sup>

The corresponding economic principle is that we ought to recognize our equal rights to the earth by collecting all the rental value of land and other natural opportunities as shared public revenue.

Mase entered Harvard as a member of the class of 1945 on a Harvard National Scholarship (“established in the early 1930s to draw the nation’s top students to attend Harvard University”). His initial major was economics, but he was unhappy with what he was taught. In the fall of 1942, he published an article, “[Taking the Professor for a Ride](#),”<sup>3</sup> in *The Freeman*,<sup>4</sup> about his disagreement with the economics he was being taught at Harvard.

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<sup>1</sup> <https://schalkenbach.org/file-12/wp-content/uploads/2020/05/Progress-and-Poverty-Henry-George.pdf>;

see also <http://progressandpoverty.org/>

<sup>2</sup> <http://progressandpoverty.org/files/george.henry/pp071.html#p-16>

<sup>3</sup> [http://www.cooperative-individualism.org/gaffney-mason\\_taking-the-professor-for-a-ride-1942-nov.pdf](http://www.cooperative-individualism.org/gaffney-mason_taking-the-professor-for-a-ride-1942-nov.pdf)

<sup>4</sup> <https://hgarchives.files.wordpress.com/2014/10/november-1942.pdf>

He left Harvard after a year, for military service. He served first as a cadet and then as Communications Officer in the U. S. Army Air Corps, in the Southwest Pacific Theatre, from 1943-1946. Decades later, he'd write,

One of the (damned few) advantages of overseas military service is the wonderful feeling, when you get home and discharged, of living on borrowed time. All one's worries seem so trivial! Bullies don't scare you so much. Jimmy Carter said we need the "moral equivalent of war", but by then the chattering classes had forgotten, if they ever knew, the prospect of imminent violent death, and how grand it is simply to be alive and well and at peace—so they sneered at him.<sup>5</sup>

After the war, Mase returned to Reed College, where he had taken some meteorological training before shipping out, and graduated, Phi Beta Kappa, from [Reed College in 1948](#).

From there, he went on to graduate study in Economics at the University of California, Berkeley 1948-1952, living at International House. His dissertation, "Land Speculation as an Obstacle to Ideal Allocation of Land," is available at <https://www.masongaffney.org/dissertation.html>. In 1950, he served as an irrigation economist working on the U. S. Census of Agriculture.

In 1952, [he married Estelle Lau](#),<sup>6</sup> and they had 3 children, Brad, Ann (now Shores) and Stuart. They divorced by 1969. In 1973, he married Letitia (Tish) Atwood, and soon had three more children, Laura, Patty and Matt. Many Georgists have met a number of Mase's family members at various conferences of the Council of Georgist Organizations, in Los Angeles (1993), Albuquerque (2003) and Newport Beach (2014), and saw Tish in 2009 in Cleveland.

In 1994, approaching his Harvard class's 50th reunion, Mase wrote to his classmates,

"I've treated my Tish better than Faust did Marguerite, and I like how she treats me, too, so we are still in love and will remain so. That's the core of good feeling, everything else is incidental. We've had a couple of great family reunions here with all six kids together, Tish, plus ex-wife Estelle, all under one roof for two days. How many wives could handle that? That's the kind of lady she is. She's always loved the first brood like her own. They reciprocate, visit us often, and act like older siblings to the younger ones. The tragedy of divorce has been turned into a big, happy family, thanks to her.

Tish died in late 2017 and Estelle in 2019. And in 2019, he wrote some Georgists,

Estelle, mother of my first three children, passed peacefully away early this month. Said 3 children, plus their MANY cousins, aunts and uncles on her side, plus Tish's 3 children (who see Estelle as a virtual foster mother), are planning a "celebration of life" to be located at the "I House" in Berkeley, on a date yet to be set.

In 1976, Mase and Tish bought a house in Riverside with a small farm attached, with avocado trees and a barn. From 1977 to 1988 he owned and managed a small fruit-growing business,

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<sup>5</sup> Email, 2010-08-04.

<sup>6</sup> [https://www.reed.edu/reed\\_magazine/summer2008/features/the\\_end\\_of\\_marriage/index.html](https://www.reed.edu/reed_magazine/summer2008/features/the_end_of_marriage/index.html)

which, he said, also gave him some experience with the economics of water supply. He sent avocados by the crate to friends in far places, and in that letter to his Harvard classmates, recounted with great humor his brief experience with hog farming.

In May, 1978, Mase wrote to a colleague:

Our house has increased in value since we moved here by more than my salary—and tax free, too. Victoria real estate meantime has stayed the same, while the \$Can dropped. We exchanged at \$1.03; now it is down to \$.86! But Howard Jarvis is telling Calif. landowners they have suffered severe financial reverses because this makes their taxes rise, so the voters may pass Prop. 13 on June 6, limiting Cal. property tax rates to 1%. Zounds! Then we shall sell out for a fortune and retire, somewhere else.

In 2004, Mase wrote to his college classmates, following a reunion:

We, like you no doubt, are basking in the unearned increment of the land under our house, turbo-charged by tax-exemption. Two of our older children in Marin County are basking, too, and we take comfort in their well-being. We deserve this, right? Are we not of *The Greatest Generation* (how we love that toadying title)? But how will your grandchildren afford a home at today's prices. We get the increment, but they get the excrement. Oh, well, the plunging dollar, crumbling infrastructure, far-called navies and troops melting away, soaring interest rates, higher taxes, incredible public debts coming due . . . it'll all be different soon. We may all grow poor together.

A CV he prepared in 2009 lists these academic positions:

- University of Oregon 1953-54 Instructor
- North Carolina State University 1954-1958 Assistant Professor
- University of Missouri, 1958-62 Associate Professor and Professor of Agricultural Economics
- University of Wisconsin at Milwaukee 1962-1969 Professor of Economics; department chair 1963-1965
- UCLA 1967- Visiting Professor of Economics
- Resources for the Future, Washington, DC 1969-1973 Senior Research Associate<sup>7</sup>
- British Columbia Institute for Economic Policy Analysis, Victoria, B.C. 1973-1976 Founder and Director
- University of California, Riverside 1976-2012 Professor of Economics, teaching both Managerial Economics in the (Graduate School of Administration) and Economics.

### **The Committee on Taxation, Resources and Economic Development (TRED)**

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<sup>7</sup> He later wrote of this, “RFF was entering a new phase, having erroneously concluded that we face no problem of resource scarcity, its original remit. RFF refocused its work on “Quality of the Environment,” i.e., pollution control.” source: [https://masongaaffney.org/essays/Sleeping\\_with\\_the\\_Enemy.pdf](https://masongaaffney.org/essays/Sleeping_with_the_Enemy.pdf)

Starting in the early 1960s, under the auspices of Robert Schalkenbach Foundation (RSF), with Arthur Becker (of UW Milwaukee) and Weld Carter (associated with RSF), Mase “grew a committee of economists to meet annually and produce a modern Georgist literature.” After two exploratory conferences in 1961 and 1962, 12 annual conferences were held at UW-M, with a small invited collection of economists, each resulting in a book. Mase chaired the first meeting, on [Extractive Resources and Taxation](#),<sup>8</sup> and edited the resulting book (1967); the [introduction](#)<sup>9</sup> and his [concluding chapter](#)<sup>10</sup> are available online. Mase was an enthusiastic participant for many years. TRED was later moved to the Lincoln Institute, producing at least one more volume. Many will recall that it was on the way to a TRED meeting in Cambridge that TRED member Bill Vickrey died, in 1996, four days after the announcement of his having been awarded the Nobel Memorial Prize. (See Mase’s [tribute](#)<sup>11</sup> to Bill.)

Mase served on the RSF board, from 1987 to 2002; he stepped down from that board to take on the work summarized in “The Hidden Taxable Capacity of Land,” discussed below.

### Examples of How Quotable Mase’s Writings Are

#### [The Property Tax Is A Progressive Tax](#)<sup>12</sup>

It is not just farming. Property is the paramount tax shelter. How does it cover thee? Let me count the ways. There is expensing of intangibles and soil and water conservation, percentage depletion, capital gains rates, deferred realization, non-distribution of profits, nonrealization, conversion of interest into cost recovery by watered sales prices, accelerated depreciation, multiple depreciation, de facto expensing of capital improvements, deduction of interest, covert write-off of undepreciated land value, deferral of tax beyond date of sale, and many others.

At the same time, property is a large source of income that is not counted in AGI. Unrealized accruals and imputed income are the most obvious, and each is a huge item.

Thus the ownership of property tends on a large scale to reduce AGI and increase real income. When we rank by AGI, property owners move into lower brackets than they belong; non-owners move into higher brackets. Property tax payments move into the lower brackets, pre-ordaining a finding of regressivity which is totally illusory.

In [Land as a Distinctive Factor of Production](#), in *Land and Taxation* he introduced a limerick:

"A captious<sup>13</sup> economist planned

<sup>8</sup> The table of contents for *Extractive Resources and Taxation* and some background on TRED at <http://www.wealthandwant.com/docs/tred.html> The book is available on short-term loan at archive.org, and perhaps on microfilm from University of Michigan.

<sup>9</sup> [https://masongaffney.org/publications/B1Extractive\\_Resources\\_Intro.CV.pdf](https://masongaffney.org/publications/B1Extractive_Resources_Intro.CV.pdf)

<sup>10</sup> [https://masongaffney.org/publications/B1Extractive\\_Resources\\_Conclusion.CV.pdf](https://masongaffney.org/publications/B1Extractive_Resources_Conclusion.CV.pdf)

<sup>11</sup> <http://www.wealthandwant.com/auth/Vickrey.html>

<sup>12</sup> [https://schalkenbach.org/file-12/wp-content/uploads/2019/10/G17Property\\_Tax\\_Progressive\\_Tax.CV\\_.pdf](https://schalkenbach.org/file-12/wp-content/uploads/2019/10/G17Property_Tax_Progressive_Tax.CV_.pdf)

<sup>13</sup> Captious: tending to find fault or raise petty objections

To live without access to land.  
 He nearly succeeded,  
 But found that he needed  
 Food, water, and somewhere to stand."

The concluding paragraphs from "[New Life in Old Cities](#)" (2006)<sup>14</sup>

Population growth is not always a goal of civic policy. Many cities discourage immigration, while seeking to import and retain taxable capital. Federal tax policies of recent times, shifting more and more of the tax burden off property income and onto labor income, have diluted or offset normal local incentives to attract people. Population, however, is surely one measure of city health, even from the particularistic local view: a thriving city attracts people.

From a distributive and full-employment view—the one taken here—it is vital to the interests of labor to have cities vie to attract people by fostering good use of their land. That is, indeed, the main point of *Progress and Poverty*, George's major work. Competition for people is also vital to the interests of all people as consumers, especially of housing. In this neo-Malthusian era, it is useful to point out the obvious, that luring people from city A to city B is a zero-sum game, from a national population view. Indeed, luring people from farms to cities generally lowers overall birthrates.

"Labor" as used here includes most people: everyone except passive-aggressive landowners. As to the last, however, the rise of land prices in NYC (which C.J. Post and Pleydell and Wood document), and their fall in torpid cities and neighborhoods, says that landowners, too, gain from urban health and vigor. As to savers, and active investors in new buildings, and other productive entrepreneurs, interurban competition tends to raise the marginal rate of return on capital, too. How is all this good news possible? A healthy economy generates surpluses that belie the Chicago School slogan that "There is no free lunch." *Land rents are the free lunch, the substance of Nature's bounty and the evidence of things unseen. The question for us is who will get them, and how use them.*

The concluding paragraph to [Henry George 100 Years Later: The Great Reconciler](#)<sup>15</sup>—

Neo-classical economists give us only a hard choice: we may have equity, or efficiency, but not both. By contrast, George's program reconciles equity and efficiency. Think of it! George takes two polar philosophies, collectivism and individualism, and composes them into one solution. He cuts the Gordian knot. Like Keynes after him, George inspires us by saying, "Forget the bitter tradeoffs; we can have it all!"

<sup>14</sup> [https://www.masongaaffney.org/publications/2006\\_New\\_Life\\_in\\_Old\\_Cities.pdf](https://www.masongaaffney.org/publications/2006_New_Life_in_Old_Cities.pdf)

<sup>15</sup> <https://schalkenbach.org/henry-george-100-years-later/> A paper presented at the Henry George Centennial in 1997. Mase also speaks to this in "Neo-Classical Economics as a Stratagem Against Henry George," discussed below.

### *The Mason Gaffney Reader*

The late Lindy Davies, program director of the Henry George Institute (on whose board Mason sat) from 1994 until his death in 2019, edited a collection of Mason's writings into a very readable book entitled *The Mason Gaffney Reader: Essays on Solving the "Unsolvable"*<sup>16</sup> published by HGI in 2013. Lindy's [introduction](#) begins

Mason Gaffney likes lists; he catalogues with gusto. At their best, his lists rival the sweep and grandeur of that master cataloguer, Walt Whitman. Gaffney's lists, like Whitman's, always serve to make a good thing better, reeling off one cogent surprise after another, and then some more!<sup>17</sup>

And the book includes a couple of those lists.<sup>18</sup> He said of Mason,

My own 20-some years in the Georgist movement have come toward the end of Mason's long career. I encountered him as an avuncular, unhurried, preoccupied sage. He can hit big-league pitching, yet he has never been impatient with boneheaded questioners (such as myself); if folks exhibit more zeal for justice, perhaps, than practical competence, he'll still work with them. He has generously shared his work, time and insights with those who wish to advance the principles that Henry George set forth in *Progress and Poverty*. He has no time for cynicism and hypocrisy, but has long been patient with bumptiousness.

Lindy concludes,

One last point before you get to the good stuff: Mason Gaffney's work as an economist is deeply important, but he gives you more: his work as a wordsmith, and as a whimsical, eclectic historian, is delightful. He might send you to your dictionary from time to time, as he did for me with his unusual use of "compose," in the sense of the American Heritage Dictionary's fifth definition, "to settle (arguments); reconcile" — in a way that even alludes to its fourth, "to make (one's mind or body) calm or tranquil" (c.f. the title of the final essay in this collection). Dear Reader, you're in for a treat: there's deep wisdom here, snazzily expressed.

There are 20 essays listed at <http://www.masongaffneyreader.com/toc.htm>. See also the endorsements at <http://www.masongaffneyreader.com/quotes.htm>.

### *Rent Unmasked*

<sup>16</sup> <http://www.masongaffneyreader.com/>. See also <https://www.amazon.com/Mason-Gaffney-Reader-Solving-Unsolvable/dp/0974184462/>

<sup>17</sup> See, for example, <http://www.georgistjournal.org/2013/05/07/the-top-ten-problems-with-corporate-personhood/> and <http://www.georgistjournal.org/2016/08/01/the-top-ten-reasons-why-titsataafl-there-is-too-such-a-thing-as-a-free-lunch/>

<sup>18</sup> Other lists at <http://www.georgistjournal.org/?s=mason+gaffney&submit=Search>

In 2016, 13 economists and others<sup>19</sup> who are inspired by Mase's writings and thought contributed essays, a *festschrift* in tribute to Mason Gaffney. Titled *Rent Unmasked: How to Save the Global Economy and Build a Sustainable Future*,<sup>20</sup> it has three parts: Last Man Standing, The Clean Slate, and Prophetic Voices. From the introduction, titled "A Tribute to Mason Gaffney:"

To understand the grave implications of the new reality, we need to unmask rent. The emphasised sentence on the 'land tax' [*a land tax actually improves the productivity of the economy because you encourage people to invest in productive capital rather than into rent generating.* – quoting Joseph Stiglitz, 2015] identifies the nub of the solution to the debt crisis. No-one has contributed more to the task of forensically examining the nature of rent, and the associated solution to society's problems, than the professor whom we rate as the foremost authority on the economics of real estate: Mason Gaffney. And so, *Rent Unmasked* must serve two purposes.

The first is to honour Mason Gaffney, academic and activist who dedicated his life to shedding light on the issues that his peers, for the most part, have preferred to shroud in darkness. The debt crisis provides a fitting backdrop against which to evaluate his works of a lifetime. The second purpose is in keeping with Professor Gaffney's wish that the contributors to this volume should analyse the state of our world both theoretically and empirically.

*Rent Unmasked* concludes,

And now, Dear Reader ...

We conclude by recognising that responsibility for the future rests with you. Turning points in history provide illuminating themes for discussion, either in the privacy of the home, or as collaborative projects in schools or social clubs, or informally in chance meetings in cafes and pubs. *How might life be different for you if the rents that you help to create are shared by everyone who created them, in return for which the taxes on your salaries and savings were abolished?*

### **An Overview of Mase's Writings**

Mason Gaffney was a prodigious writer of academic papers, writing with elegance, clarity, and wit. He wrote within the framework of modern economics, while challenging the hidden assumptions that bias the understandings of economists.

One of the most important themes in Gaffney's work is the importance of preserving the distinction between capital and land. Capital is provided by saving and shrinks when you tax it.

<sup>19</sup> Fred Harrison, Kris Feder, Mary (Polly) Cleveland, Fred Foldvary, Frank Peddle, Ted Gwartney, Dirk Löhr, Terry Dwyer, Duncan Pickard, Fernando Scornik Gerstein, Peter Smith, Roger Sandilands and Nic Tideman.

<sup>20</sup> <https://www.amazon.com/Rent-Unmasked-Global-Economy-Sustainable/dp/0856835110> and <https://shepherd-walwyn.co.uk/product/rent-unmasked/>

Land (including natural resources) is provided by nature and tends to be used more efficiently when it is taxed.

Mase wrote on a wide range of topics, almost all related in some way to land. His focus on land contrasts with how many economists trivialize land, regarding it as a minor form of capital instead of the unique and fundamental factor that it is. Mase showed us that when land's distinctive and essential role in the economy is denied, all sorts of distortions, poor decisions and poor public policies result. Prominent among these poor results are the overwhelming and ever-increasing concentration of wealth, the degradation of the environment, and the impoverishment of huge swaths of our nation's and the world's people. All this when land has an unrecognized capacity to fund public activity at an undreamed level once we recognize that land is rightly our common heritage and adopt the implied public policies!

One of Mase's more provocative writings is his paper, "[Neo-classical Economics as a Stratagem against Henry George](#)."<sup>21</sup> In this paper he argues that the practice among economists of treating capital and land together as a single factor of production was planned by prominent economists at the beginning of the 20<sup>th</sup> century as a way to make it harder for people to appreciate the ideas of Henry George, because these ideas threatened the privileges of the propertied class—whose fortunes endowed universities.<sup>22</sup>

<sup>21</sup>[http://www.cooperative-individualism.org/gaffney-mason\\_neo-classical-economics-as-a-stratagem-against-henry-george.pdf](http://www.cooperative-individualism.org/gaffney-mason_neo-classical-economics-as-a-stratagem-against-henry-george.pdf). "Neo-classical Economics as a Stratagem Against Henry George," in Fred Harrison, *The Corruption of Economics*. London: Shephard-Walwyn Publishing Co. pp. 29-164, i

<sup>22</sup> From a travelogue email Mase sent to his family in 2012, on a trip through New York State – complete with footnotes:

“In the U.S. we rarely name colleges for great generals. Amherst is an exception, but that was done by Brits, along with 8 other colleges, before 1776. I find no evidence that Wellesley was named for Wellington. Bradley in Peoria was not named for General Omar. Oh, a long search would turn up a few others: Lafayette, maybe, but it's a barren quest. Otherwise we favor robber barons with lands and monies to give, and reputations to salvage or burnish, and/or missions to rationalize their way of life: Vanderbilt, Washington,<sup>2</sup> Washington and Lee, Stanford, Duke, Carnegie-Mellon, Rockefeller, Sloan, Vassar, Hopkins, Hoover, Reed, Wharton, Brown, Cornell, Rensselaer, Guggenheim, Rhodes, Drew, Irvine, Clark, Hamilton, Bowdoin, Colby, Fletcher, Pepperdine, Carleton, Eastman, Hobart and William Smith, Chapman, Mills<sup>3</sup>, Sarah Lawrence, Colgate, Williams, Smith, Davidson, Lawrence (Wisconsin), Milwaukee-Downer, McKenna, et al. Many began by proclaiming a religious mission, but never one that much resembled the Sermon on the Mount. Brandeis, the Jew, had more of that spirit than any "Christian" college donor or namesake. Ever since *Trustees of Dartmouth College v. Woodward*, 1819, College Boards have been self-perpetuating, so the twig remains as 'twas bent.

1 Columbia was firmly bent later by Trustee Abram Hewitt (who had ended Reconstruction by throwing the 1876 election to Hayes over Tilden), then Presidents Seth Low and Nicholas Murray Butler, during and emerging from the Progressive Movement: the first two ran for Mayor of New York specifically to block Henry George from winning, while Butler, the 3rd, was a political kingmaker who not only made Harding president, but more permanently turned the Republican Party from the Progressivism of T.R. to its present views. One could double that list. So higher Education in the U.S.A. has long been patronized and therefore led by the "uppah clahsses", except for State-supported institutions - and they take most of their cues from the Ivies now, anyway.

2 Washington lost most of his battles except the last, which the French mostly won for him, so he is less famous as a general than as a politician and land speculator, a pattern followed by most later college namesakes.

3 Cyrus T. Mills, co-founder of Mills College, was a missionary from Hawaii. Not clear if he was one of "those" missionaries, but he married a Holyoke girl and they moved to California with enough money to buy a going college in Benicia and move it to Oakland.”



A recurring theme in Mase's work is that the potential revenue from taxing Land (in its meaning that includes all natural opportunities) is much greater than is generally realized. This idea is developed most completely in Mase's paper, "[The Hidden Taxable Capacity of Land: Enough and to Spare](#)."<sup>23</sup> There are two central ideas in this deep and wide-ranging 84-page paper. The first is that Land has many manifestations that tend to go unnoticed by those who seek to estimate the potential revenue from Land. Examples are gravel pits, good locations for cell phone towers, the congestion costs of streets, air corridors for planes and airport landing slots. There are many other half-hidden reservoirs of rent as well. The second central idea of the paper is that the economic value of the opportunity to use Land is much less than it would be if taxes were taken off labor and capital and placed on Land. The closer people and capital are to fully mobile into and out of a region that shifts taxes from labor and capital to Land, the more completely the reductions in taxes on labor and capital will be reflected in higher Land rents. Mase calls this the ATCOR principle, for "All Taxes Come Out of Rent." There is a companion principle that the increase in economic efficiency from reducing taxes on labor and capital will similarly be reflected in higher Land rents. Mase calls this the EBCOR principle, for "Excess Burden Comes Out of Rent."

Mase originally wrote about the ATCOR acronym in "[The Philosophy of Public Finance](#)" (1998)<sup>24</sup> although the essence of the idea can be found in writings throughout his life, going at least as far back as his 1967 [testimony before the Douglas Commission](#).<sup>25</sup>

When you press economists, they will generally grant that a tax on land, if properly assessed is "neutral." It has none of the inefficiency-creating, distortive effects that taxes on labor and

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That travelogue's final entry, dated July 4, 2012, consisted of the first verse of "America The Beautiful."

<sup>23</sup> Gaffney, Mason. "[The Hidden Taxable Capacity of Land: Enough and to Spare](#)," International Journal of Social Economics, Vol 36, No. 4, 2009, pp. 328-411. [https://masongaffney.org/publications/G2009-Hidden\\_Taxable\\_Capacity\\_of\\_Land\\_2009.pdf](https://masongaffney.org/publications/G2009-Hidden_Taxable_Capacity_of_Land_2009.pdf) Of this, Mase wrote in a 2018 email:

Some people speak interchangeably of land rents, and land prices. Some people, indeed most, leave out huge chunks of rent-yielding resources.

So the most careful, thorough, and comprehensive source I can cite is my long article on "The Hidden Taxable Capacity of Land," now about 15 years old. I'm not sure if any Georgist has ever waded through it. Land prices have probably doubled since then. I didn't try to estimate land rents for the U.S. or worldwide. I didn't pursue all the hypotheticals ("what-if's"), but did make it clear that all bad taxes come out of rents (ATCOR), and all excess burdens come out of rents (EBCOR), and unleashing creative and market forces from bad taxes would free up huge symbiotic and synergistic effects that not even an omniscient, all-foreseeing God could presume to quantify.

*All we can show, and all we need to show, is that the taxable capacity of land is enough and to spare to replace all other current taxes.*

<sup>24</sup> 1998, "[The Philosophy of Public Finance](#)," Chapter 7 in Fred Harrison (ed.), *The Losses of Nations*. London: Othila Press Ltd., pp.175-205.

[https://masongaffney.org/publications/G44Philosophy\\_of\\_Public\\_Finance.CV.pdf](https://masongaffney.org/publications/G44Philosophy_of_Public_Finance.CV.pdf)

<sup>25</sup> [Testimony at Hearings of President's Commission on Urban Problems](#), Pittsburgh, PA, 1967, Sen. Paul Douglas presiding. [https://masongaffney.org/publications/G2QTestimony\\_before\\_Sen\\_Douglas.CV.pdf](https://masongaffney.org/publications/G2QTestimony_before_Sen_Douglas.CV.pdf)

capital have. But, in the paper, "[Tax Reform to Release Land](#)" (1973)<sup>26</sup> Mase explained that taxes on land can be better than neutral, by helping to offset imperfections in lending markets. People vary in the interest rates they face. Those who face high interest rates get higher returns on their investments than those with low discount rates. Land taxes have a higher present value to those with low discount rates than to those with high discount rates. Therefore an increase in land taxes reduces the prices that persons with low discount rates are willing to offer for land, by more than it reduces the offer prices of those with high discount rates, thereby tending to shift land into the hands of those with high discount rates, who will use it more productively. It makes sense when you hear the explanation, but people did not realize it until Mase explained it.

Another provocative paper of Mase's, "[Corporate power and expansive US military policy](#)" (2018),<sup>27</sup> develops the argument that military spending is not the "public good" that economists analyze, but rather a form of government spending that is designed to give special benefits to favored groups. Again, this is plausible once you hear the explanation.

In a book-length collection of essays titled [After the Crash: Designing a Depression-Free Economy](#) (2009),<sup>28</sup> Mase develops a different way of understanding economic crises and what should be done to avoid them. He stresses not only the difference between land and capital, but also the different economic effects of different types of capital. Our tax system favors capital that lasts a long time, while capital that turns over more rapidly leads to more employment. Another subject in the essays is the way that bank lending practices lead to instability, and that a rule against using land as collateral for bank loans would improve the stability of the banking system.

Many of Mase's papers are available on his website (created and maintained by Polly Cleveland), at <https://masongaffney.org>. These are divided into the categories of Forest Economics, Extractive Resources and Leasing Policy, General Land Economics, Agricultural Land Economics, Urban Land Economics, Environmental Economics, Public Finance, Water Economics and Law, Macro-economic Policy and Theory, History of Economic Thought, and General Economics. In addition to the [academic papers](#),<sup>29</sup> there are collections of [working papers](#)<sup>30</sup> and [less academic essays](#)<sup>31</sup> along with a page of classroom materials, including [his](#)

<sup>26</sup> "[Tax Reform to Release Land](#)." In Marion Clawson (ed.), *Modernizing Urban Land Policy*. Baltimore: Johns Hopkins Press, 1973, pp. 115-52. <https://masongaffney.org/publications/E4-TaxReformtoReleaseLand.CV.pdf>

<sup>27</sup>Gaffney, Mason. "[Corporate power and expansive US military policy](#)." *American Journal of Economics and Sociology* 77.2 (2018): 331-417. [https://masongaffney.org/publications/L2018\\_Gaffney-Cobb-draft-Corporate-Power-&-Military-2018-07-22.pdf](https://masongaffney.org/publications/L2018_Gaffney-Cobb-draft-Corporate-Power-&-Military-2018-07-22.pdf)

<sup>28</sup>Gaffney, Mason. *After the Crash: Designing a Depression-Free Economy*. Malden, MA: Wiley. Originally published in *American Journal of Economics and Sociology* 68(4), 2009: 839–1038. <https://books.google.com/books?id=4pM-dG5Id6IC&oi=fnd&pg=PA1> , <https://www.amazon.com/After-Crash-Designing-Depression-free-Economic/dp/1444333585> and <http://afterthecrash-masongaffney.com/>. See also "The Great Crash of 2008" at <http://afterthecrash-masongaffney.com/related-writings>.

<sup>29</sup> <https://masongaffney.org/publications.html>

<sup>30</sup> <https://masongaffney.org/workpapers.html>

<sup>31</sup> <https://masongaffney.org/essays.html>

[notes](#)<sup>32</sup> on reading Henry George's *Progress and Poverty*,<sup>33</sup> as edited by Kris Feder. All of these items reward a reader's attention.

Mase's most widely cited paper, [Concepts of Financial Maturity of Timber and Other Assets](#) (1960),<sup>34</sup> dealt with the importance of taking account of the value of land for the next crop of trees when deciding when to harvest trees.<sup>35</sup> In his "[Editor's Conclusion](#)" in the book *Extractive Resources and Taxation* (1967), he explained the necessity of charging those extracting minerals for both access and depletion to achieve efficient incentives.<sup>36</sup> Many of his papers, such as "[The Property Tax is a Progressive Tax](#)" (1971),<sup>37</sup> dealt with the beneficial effects of taxing land. Others dealt with the harmful effects of taxing capital ("[Tax-Induced Slow Turnover of Capital](#)"<sup>38</sup>), taxing labor ("[The Income-Stimulating Incentives of the Property Tax](#)"<sup>39</sup>) and taxing consumption ("[Europe's Fatal Affair with VAT](#)"<sup>40</sup>). In [Tax Reform to Release Land](#)<sup>41</sup> he showed how urban sprawl could be ameliorated by taxing land, and in "[Containment Policies for Urban Sprawl](#)"<sup>42</sup> he showed how urban sprawl is exacerbated by pricing for utilities that undercharges those who live at the periphery.

There is a wonderful rhythm and polish in Mase's writing. For example, his paper, "[Nonpoint Pollution: Tractable Solutions to Intractable Problems](#)" (1988),<sup>43</sup> begins with the sentence, "Nonpoint pollution goes right to a chink in the armor of conventionally trained economists (like myself) who are overtrained towards becoming protagonists of the price system." He often

<sup>32</sup> <https://masongaffney.org/class/pandpstudyguide.html>

<sup>33</sup> <https://schalkenbach.org/file-12/wp-content/uploads/2020/05/Progress-and-Poverty-Henry-George.pdf>

<sup>34</sup> Gaffney, M., "[Concepts of Financial Maturity of Timber and Other Assets](#)," A. E. Information Series No. 62, Department of Agricultural Economics, North Carolina State College, 1960.

[https://masongaffney.org/publications/A1-1957\\_Financial\\_Maturity\\_of\\_Timber\\_final\\_unrepaginated.pdf](https://masongaffney.org/publications/A1-1957_Financial_Maturity_of_Timber_final_unrepaginated.pdf)

<sup>35</sup> Mase also contributed a chapter to *Rent as Public Revenue: Issues and Methods* (HGI/RSF, 2018) entitled "How Should Forests Be Taxed." He followed with great interest Susan Pace Hamill's scholarly and other writings on Alabama's tax system with respect to land and forests. See <https://www.law.ua.edu/misc/hamill/>.

<sup>36</sup> Gaffney, Mason. (1967). "[Editor's Conclusion](#)," In *Extractive Resources and Taxation*. Ed. Mason, Gaffney. Madison: University of Wisconsin Press, 340-419.

<sup>37</sup> Gaffney, Mason. "[The Property Tax is a Progressive Tax](#)," Proceedings, National Tax Association, 64th Annual Conference, Kansas City, 1971, pp. 408-26.

[https://masongaffney.org/publications/G17Property\\_Tax\\_Progressive\\_Tax.CV.pdf](https://masongaffney.org/publications/G17Property_Tax_Progressive_Tax.CV.pdf)

<sup>38</sup> Gaffney, Mason. (1970) "Tax-Induced Slow Turnover of Capital, I" *The American Journal of Economics and Sociology*, Vol. 29, No. 1 (Jan., 1970), pp. 25-32 <https://www.jstor.org/stable/pdf/3485214.pdf> and <https://www.masongaffney.org/publications/I11-TaxInducedSlowTurnoverofCapital.CV.CV.pdf>

<sup>39</sup> 1998, "[The Income-Stimulating Incentives of the Property Tax](#)," Chapter 8 in Fred Harrison (ed.), *The Losses of Nations*. London: Othila Press Ltd., pp. 206-220; Including "Appendix 1: An Inventory of Rent-Yielding Resources," pp. 221-233 [https://masongaffney.org/publications/G45The\\_Income-Stimulating\\_Incentives\\_of\\_the\\_Property\\_Tax.pdf](https://masongaffney.org/publications/G45The_Income-Stimulating_Incentives_of_the_Property_Tax.pdf)

<sup>40</sup> Gaffney, Mason. "[Europe's fatal affair with VAT](#)," (2016). <https://schalkenbach.org/file-12/wp-content/uploads/2019/09/Mason-Gaffney-vat.pdf>

<sup>41</sup> "[Tax Reform to Release Land](#)," In Marion Clawson (ed.), *Modernizing Urban Land Policy*. Baltimore: Johns Hopkins Press, 1973, pp. 115-52. <https://masongaffney.org/publications/E4-TaxReformtoReleaseLand.CV.pdf>

<sup>42</sup> Mason Gaffney, [Containment Policies for Urban Sprawl](#), ch. 10, Richard Stauber, ed., *Approaches to the Study of Urbanization*, University of Kansas 115-33 (1964).

[https://masongaffney.org/publications/E3Containment\\_policies.CV.pdf](https://masongaffney.org/publications/E3Containment_policies.CV.pdf)

<sup>43</sup> Gaffney, Mason. "[Nonpoint pollution: tractable solutions to intractable problems](#)," *Journal of Business Administration* 18 (1988): 133-54. [https://masongaffney.org/publications/F7Nonpoint\\_Pollution.CV.pdf](https://masongaffney.org/publications/F7Nonpoint_Pollution.CV.pdf)

caught readers' attention with striking titles like "[The Sales Tax: History of a Dumb Idea](#)"<sup>44</sup> and, "[The Four Vampires of Capital](#)."<sup>45</sup> His papers are always a pleasure to read.

In addition to developing basketfuls of important ideas, Mason was greatly appreciated by students. On the website "Rate My Professor," where students rate their instructors, Mason Gaffney received a grade of A+. One student stated that Gaffney was "One of the most brilliant economics professors around." Another student said, "Professor Gaffney has been one of the most insightful persons I have ever met. He is full of economic knowledge and is willing to explain a concept to you in great detail if you ask for it. For me, he is one of the greatest teachers I have had and one of the most interesting persons I've met too." Of course, a professor cannot please everyone; one student commented, "he is too stuck on George."

### Writing on Religion

Mase, a self-described non-observant liberal Protestant of Catholic heritage, wrote two papers on the relationship between Henry George's ideas and Catholic thinking. Both papers are full of scholarship and insight. In "[Henry George, Dr. Edward McGlynn, and Pope Leo XIII](#)" (1997)<sup>46</sup> Mase takes the late 19th Century leadership of the Roman Catholic Church to task for seeking to undermine the influence of Henry George ideas by deliberately misinterpreting them. In "[Going My Way? Wending a Way Through the Stumbling Blocks between Georgism and Catholicism](#)" (2012)<sup>47</sup> Mase reviews varieties of Catholic Georgism and Georgist Catholicism, noting points of agreement and disagreement, as well as possibilities for unification.

In 2009, he reflected to family and friends, based on a question asked him in the course of an [oral history](#):<sup>48</sup>

My interrogator in Cleveland (for the Oral History they are composing) asked a question that got me thinking. "Why did you, whose career got off to a flying start at Harvard, persist in this Georgist interest that limited your career prospects?" As a Wellesley grad herself she probably overrated Harvard, but part of the answer is that World War II reduced me to being just another vet, one of millions, jammed into overcrowded schools by the G.I. Bill. But there is something else, that you would never suspect, and I have repressed all these years, that came back to me the other day. That is something about Christianity.

What passes for Christianity today is mostly perverted and caricatured: the altar calls, the homophobia, the assassination of abortionists, the end-times, the jingoism, the anti-intellectualism, the need for a "leap of faith" to make sense of anything, derogation of the social gospel, honoring and catering to the greedy ... those all represent hijacking. Beneath them is a core: the egalitarianism of the Old Testament and its Prophets; plus the wise sayings of Jesus in the Gospels. He said, for example, "Store not up treasures on

<sup>44</sup> [https://masongaffney.org/essays/The\\_Sales\\_Tax--History\\_of\\_a\\_Dumb\\_Idea\\_3\\_2005.pdf](https://masongaffney.org/essays/The_Sales_Tax--History_of_a_Dumb_Idea_3_2005.pdf)

<sup>45</sup> [https://masongaffney.org/essays/Four\\_vampires\\_of\\_capital.pdf](https://masongaffney.org/essays/Four_vampires_of_capital.pdf)

<sup>46</sup> [https://masongaffney.org/publications/K18George\\_McGlynn\\_and\\_Leo\\_XIII.pdf](https://masongaffney.org/publications/K18George_McGlynn_and_Leo_XIII.pdf)

<sup>47</sup> [https://masongaffney.org/publications/K2012\\_Going\\_My\\_Way.pdf](https://masongaffney.org/publications/K2012_Going_My_Way.pdf)

<sup>48</sup> <https://vimeo.com/schalkenbach>

earth, where moth and rust doth corrupt, and thieves break through and steal; but store up treasures in Heaven, for where your treasure is, there will your heart be also.“

And there is a third element that you don't find in other major religions, or so I believe. *Christianity is the only religion I can think of based on worship of a man being humiliated and tortured to death in public for his beliefs, and refusing to renounce them. It makes a hero of the dissenter, the troublemaker, the one who thinks otherwise and stands up for his beliefs.* This, I believe, gives a character to “Western Civilization” that you don't find much of elsewhere. It is remarkable to have a state religion based on or at least containing such a concept. Naturally the duly constituted authorities engage in great contortions of hypocrisy to promote the religion while concealing this message, but still it is there, and works its way into your subconscious if you spend, as I did, many impressionable years in church. There was the choir rehearsal, the choir performance in church, the Sunday School, the young people's group Sunday night – it was a big part of my life.

When the draft came along the Assistant Minister, who led the young people's group, took me aside and urged me to apply for theological school and avoid the draft. He would vouch for me and get me in, he said. That struck me as an improper motivation for a life of preaching virtue, an abuse of religion and I declined – and thought less of him. That plus the intellectual vacuum of theology turned me away.

Then it came back to me when I heard a verse from this old hymn:

To that old rugged cross I will ever be true,  
its shame and reproach gladly bear;  
then he'll call me some day to my home far away,  
where his glory forever I'll share.

I don't know about the last two “feel-good” lines, but the first two are powerful. *You don't turn away from a belief because others sneer and reproach you. It's dishonorable. You keep seeking the truth, and helping others understand.*

What may be Mase's most prescient paper is titled, “[How Religious Awakenings Presage Radical Reforms](https://masongaaffney.org/workpapers/How_Religious_Awakenings_Presage_Radical_Reforms.pdf)” (2010)<sup>49</sup> This is a paper about a series of five historical periods in the U.S., beginning in 1740, when a public focus on religion seems to have been a precursor of important social reforms. The abstract to the paper reads:

Religious upheavals have generally preceded waves of radical reform and reaction in U.S. history, thus serving at least as leading indicators, and perhaps as causative explanations. As these waves rise and swell, crest, crash and ebb, they sweep and tumble most individuals along, to and fro. However inner-directed one may be, we are social beings who interact with others. However we personally may feel about religion, from true believers to cynics, the beliefs of others affect us through them. Life is never simple

<sup>49</sup> [https://masongaaffney.org/workpapers/How\\_Religious\\_Awakenings\\_Presage\\_Radical\\_Reforms.pdf](https://masongaaffney.org/workpapers/How_Religious_Awakenings_Presage_Radical_Reforms.pdf)

enough to encompass in one sweeping generalization; and beware of *post hoc ergo propter hoc*. Rather, the facts of history force us to see these waves, and acknowledge their force, as opposed to purely mechanical, materialistic interpretations of history and forecasts of future history.

I try to frame and support this hypothesis by identifying five major religious “Awakenings” in U.S. history, from 1740 onwards, that have presaged and thus presumably helped cause major changes in the dominant public mood, in social psychology, and hence in public policy. These cycles are: “The Great Awakening” from about 1740, leading to The American Revolution; Abolitionism, Feminism, and Revivalism in the north, from 1820, leading to The Civil War, Reconstruction, and land reforms; Populism after the crash of 1873, leading to The Progressive Movement in power, 1902-18; the Irish-American Catholic Awakening, leading to The New Deal, 1933-45; and the Second Catholic Awakening after Vatican II, 1960-69.

A lesson for reformers, of whatever stripe, is to work with the public mood as expressed in religious trends. A social psychology of stasis may last through most of a reformer’s lifetime while his or her best efforts break like waves against adamant. Then suddenly pent-up waters break through in a rush that carries all before it. “To everything there is a season, and a time for every purpose under Heaven”. Another lesson for reformers is that we are now due for another great cataclysm: make ready, timing is everything.

The conclusion of "How Religious Awakenings Presage Radical Reforms" begins:

When and whence will come the new Awakening, if ever? History tells us it may take forty years to appear, and it will most likely come out of left field, as a surprise, with a new leader, a political genius or juggler who realigns old forces. It will follow a crisis. It will involve The Bible. Established mainline churches and intellectuals will despise and resist it.

It is interesting to speculate as to whether Black Lives Matter and COVID-19 represent the seed of our sixth Great Awakening.

### ***Prescient indeed!***

Mase embraced this spirit that Henry George wrote of in *Social Problems*:

What is there for which life gives us opportunity that can be compared with the effort to do what we may, be it ever so little, to improve social conditions and enable other lives to reach fuller, nobler development?<sup>50</sup>

## **Where to Find Mason Gaffney’s Writings Online**

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<sup>50</sup>Henry George, *Social Problems* (1883), Chapter 9, First Principles, p. 79, online at [https://schalkenbach.org/file-12/wp-content/uploads/2020/02/SOCIAL-PROBLEMS-Henry-George\\_Optimizer.pdf](https://schalkenbach.org/file-12/wp-content/uploads/2020/02/SOCIAL-PROBLEMS-Henry-George_Optimizer.pdf)

- <https://www.masongaffney.org/> – academic publications, popular publications and working papers – three impressive collections of articles from a 75 year writing and teaching career – assembled by Polly Cleveland
- <https://schalkenbach.org/file-11/on-line-library/works-by-m-mason-gaffney-2/>
- [http://www.cooperative-individualism.org/georgists\\_unitedstates-ga-gi.htm](http://www.cooperative-individualism.org/georgists_unitedstates-ga-gi.htm) – arranged chronologically
- [https://commonground-usa.net/?page\\_id=152](https://commonground-usa.net/?page_id=152)
- <http://www.georgistjournal.org/tag/mason-gaffney/>
- <http://www.masongaffneyreader.com/toc.htm> selected and edited by Lindy Davies
- <http://www.wealthandwant.com/auth/Gaffney.html>
- <http://savingcommunities.org/docs/gaffney.mason/farmlandtaxes.html>
- <https://www.progress.org/authors/mason-gaffney>
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