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The Modern Georgism of Respected Economists Part 2/3: Harry Gunnison Brown

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The Georgist economist **Harry Gunnison Brown** is underappreciated today but wasn't particularly unknown in his own time. In [Harry Gunnison Brown: An Orthodox Economist and His Contributions](#), Browns biographer writes that:

“His text, [The Economics of Taxation](#), stood for a time as a benchmark for texts on the subject of tax incidence. In his chosen profession, Brown's record was exemplary during five decades of teaching at Yale, Missouri,

The New School of Social Research, Mississippi and Franklin and Marshall. He wrote more than 100 articles and 10 books. He was said to be for many years the dominant influence behind Missouri's School of Business and Public Administration.⁴ His dedication to teaching has been praised by his students, many of whom were to become prominent in economics and related areas.”¹

Among those economists who do still remember him, he maintains a respectable reputation:

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- The Nobel laureate Paul Samuelson included him in a list of prominent American economists born after 1860².
- The (quite important) economist and statistician Harold Hotelling told others of the influence Brown had on his thinking³ (and praised his ethical case for LVT⁴).
- The pioneering labor economist John Commons expressed high regard for him⁵ and said his analysis of LVT was “*quite superior to that of David Ricardo and Henry George*”⁶.
- “Father of airline deregulation” Alfred E. Kahn drew on his work and exchanges heavily in writing *Economics of Regulation* and remarked “*what impressed me more than anything else about his economic thinking was its coherence, its thorough internal consistency, and its apparent sufficiency...it is an admirable system of economic thinking, still highly relevant today, and Professor Brown expounded it with grace, persistence, intellectual incisiveness, and verve*”⁷.

- He was said to be one of the two *“favorite and ablest students”* of the eminent economist Irving Fisher (and in fact assisted in the writing of Fishers classic *The Purchasing Power of Money*⁸).
- In a letter to Brown himself, Frank Knight (founder of the Chicago School of economics) wrote that Brown was *“a man whom I have felt for years did not seem to get recognition in accord with his merits by the profession generally”*⁹. Kenneth Boulding and Nobel laureate Milton Friedman have also both said they think Browns work is overlooked¹⁰. As Arnold Harberger put it:

*“Brown was one of a small group of economists of his era (which included Frank Knight, Irving Fisher, A. C. Pigou) who really carried the science forward by large steps. For decades, their work was neglected as the profession pursued one fad after another, but now, as economists have returned, more or less, to their mainstream, they are seeing once again the brilliance and insight of people like H. G. Brown.”*¹¹

Brown occupied a lonely position as *“Henry George's most prominent academic proponent”* of his time¹². Born in 1880 and dying in 1975, he taught and wrote when the Georgist movement plummeted in stature. This 1985 quote by the economist Martin Bronfrenbrenner about sums it up: *‘The popular picture of the single-taxer has however become the aged crank whose ideas have been refuted, who has outlived his usefulness, and who need not be taken seriously.’*¹³ In his 1924 work *“The Single-Tax Complex of Some Contemporary Economists.”*, Brown:

*“implied that contemporary writers of texts in economics and in public finance were in varying degrees the victims of a legacy of bias. The bias was expressed in an excessively negative and frequently erroneous conception of the single tax idea. He reviewed the treatment accorded the single tax on land values in several texts and was criticized by one commentator for the causticity of his criticism of them. The basis of the bias was, he felt, a type of “defense complex” wherein “a reasonable consideration of the merits of the case will not be tolerated.”*¹⁴ He further argued that the objectors had made rights in land property a sacred cow

*and were unwilling or unable to consider the single tax proposal objectively*¹⁴

As a neoclassical economist (albeit retaining classical influences), Brown attempted to “*plead the Georgist case before other NCEists*”¹⁵. He described his “*main contribution,*” to be presenting the theory of LVT in “*the language of contemporary economics.*”¹⁶ Brown wasn’t a completely orthodox Single-Taxer in that he didn’t believe that LVT should be the *only* source of public revenue. However, he did believe it should be the *chief* source¹⁷:

*“I find that I am sometimes spoken of as a single-taxer by persons who are opposed to the single tax, while some of the thoroughgoing single-taxers profess themselves not wholly satisfied with my orthodoxy. **The truth is that I recognize the fundamental justice and common sense of the single-tax idea.** But that any other tax than a tax on land values is always and everywhere wrong, regardless of public needs or the nature of this other tax, I do not maintain. When an enterprising lawyer finds as the nearest heir of an intestate millionaire decedent a sixth cousin who was not even acquainted with the millionaire whose wealth he is to inherit, I most certainly do not contend that a heavy tax on the inheritance is objectionable just because it would be a departure from complete reliance on a single tax. **But that the annual rental value of land should be, eventually, almost entirely appropriated by the public in taxation and that it should be the chief source, even though not necessarily the only source, of public revenue, I am thoroughly convinced.***

If this view is justified, then the so-called “model” tax systems, based on other principles and using chiefly other taxes, are not models at all except in the sense of being models of what to avoid.¹⁸

Like Joseph Stiglitz, Brown went beyond the “neutral” view of land value taxation espoused by most modern economists. For example, he believed that LVT would stop the detrimental effects of land speculation¹⁹. More than that however, he saw Georgist ideology as a fully-fledged alternative to the political dichotomy of his day. Addressing the 1936 *Henry George Congress*, he asked:

"Does it not seem a bit incongruous to find socialists, "parlor pinks," "liberals" (post-war style) and hidebound conservatives, all in agreement in not admitting or, anyhow, in not stressing any important distinction between sites and natural resources on the one hand and constructed capital on the other hand."

The distinction Brown drew between these rested on his Georgist "producerism". As he illustrated in that address with the invented figures of "Noren" and "Fenton", income from capital goods is a "quid pro quo" for the saving required to produce them. It isn't "robbery" to reward sacrifice which contributes to useful production. When income is derived from nothing more than *permission* however, that justification cannot hold water. What contribution is rewarded in charges for "*permission to sail boats on the ocean, swim in the lakes and rivers, breathe the air or enjoy the sunshine*"²⁰ when the ocean, rivers, air, and sun are free gifts of nature? So it is with charges for land and other natural resources. And yet each side either saw all income from private property as robbery or none of it as robbery!

Brown saw this conflation as fundamental to the turmoil rocking the world at the time. It should be remembered that he lived during the advent of totalitarianism. The twin specters of Fascism and Communism grew even while Georgism declined. As Brown put it in an article for the Georgist journal *The Freeman*:

"We appear to be living in an era of tremendous upheaval the ultimate consequences of which no one can foresee. Economic systems are in flux. Political systems are changing rapidly. The centers of military power and of prestige are shifting as they have not before in generations.

...

*An economic system in which the majority are discontented and greatly exploited hosts of a parasitic few or in which burglary, pocket picking and highway robbery are so extensively practiced that security is reduced to a minimum and general discontent and disorganization prevail, -such an economic system must tend not towards the survival of the society but towards its elimination"*²¹

Like other Georgists, Brown saw private ownership of nature's gifts as the root cause of *society-scale* issues. It was exactly the economic exploitation and degradation caused by that legalized robbery which gave support to those who promised to eliminate free enterprise entirely. In a later article for the *Georgist American Journal of Economics and Sociology* titled *Bourgeois Confusion and Proletarian Myopia*, Brown developed these themes further, asking:

*“Is it not permissible, therefore, to feel a bit of amusement at their [business executives, “capitalists”, and economists] vociferous protestations of support for the principles of the free private enterprise system?” Is it not permissible to question whether they really understand the principles in which they pretend to believe? **And may we not fairly say that the case they make for private enterprise, as against various regimented systems or “isms” is an appreciably weaker case because they fail to point out the full possibilities of a self-consistent private enterprise system?** How much right have they to complain if their encomiums on the virtues of private enterprise as rewarding efficiency, enterprise and thrift are at times greeted by some of the common folks they seek to persuade, with lifted eyebrows or even with hoots and jeers? Is such a warped and evasive argument by representatives of the propertied class really the most effective way to persuade unpropertied workers to eschew communistic and socialistic ideology?”²²*

And saying with regards to the other side that they, instead of:

*“relying on a relatively simple tax system that does **not** penalize efficiency and thrift and that **interferes** only with **restrictions** on the use of the earth and with the enjoyment of **unearned** incomes, “proletarian” leaders in general-and most of our “social planners”-look to regimentation of economic life and to dictatorial control for betterment of the condition of the masses. Thereby they apparently expect to avoid low wages and poor housing conditions **while ignoring the fundamental economic causes of these evils.**”²³*

These fundamental economic causes were the persistent hobbling and regimenting of economic activities by legislators and administrators.

Examples he gives include tariffs, quotas, subsidies, price controls, inflation, deflation, and heavy taxes on efficiency, thrift, and goods used by the poor²⁴. The consequence was that:

*“Though contending throughout that they are strong supporters of the private enterprise system and—of course!--utterly opposed to the **wicked communists**, they have followed policies calculated to make this system into a miserable caricature of what it ought to be and could be, to keep many men and women and children tortured and unhappy beyond any necessity, and to bring the private enterprise system into a discredit that, on the basis of its proper essence and principles, it does not deserve. Then they turn to Russia and Yugoslavia and to our own miniscule group of communists and tell us that it is **these** who are the principal threat to the free enterprise system!”²⁵*

Like Henry George, Brown saw himself as an advocate for *true* free trade²⁶. He wanted to reform the “present caricature” of free enterprise and free markets into being thoroughly self-consistent with its own principles. This would fortify it immensely against appeals from “*demagogues, fanatics, and fools*” who promised liberation but only brought ruin²⁷. LVT was one part of this general project. Brown describes how it would raise wages, cheapen cost of living, diminish slums, and aid home ownership²⁸. While it would be “*manifestly unreasonable*”²⁹ to say it would make all further reforms unnecessary, it would be one of the most important in making the system:

*“what its conservative defenders claim it is, viz., a system which rewards industry and thrift and enterprise and gives most to those who are most deserving, presumably to those who serve the public best. **It leaves in the economic order its essential element of freedom**, freedom as to what work to do, freedom to save and invest in capital construction or not to do so, freedom on the part of each individual and group of individuals to use his or their capital in whatever line of industry seems most profitable. **And this reform would add a new freedom, viz., freedom to live and to work on the earth without being hindered or prevented by persons who, not desiring to use their land (or much of it) themselves, hold it out of use speculatively in the hope of making money from a community-produced increase of value.**”³⁰*

Given the world's failure to embrace these reforms, it's no surprise that regimented economies of control and planning gained so much ground during the mid-20th century. Nevertheless, Brown did his best to advance Georgist ideology. For example he:

- Quoted directly from Henry George in his own writing (sometimes quite substantially).³¹
- Created an abridged version of Henry George's masterwork *Progress and Poverty* to aid modern readers.³²
- Actively tried to improve Georgist activism.
- Recommended students enroll in the Henry George School of Social Science.³³
- Spent time arguing against a variety of anti-Georgist critiques.
- Took time to critique Henry George's more obscure ideas with the explicit aim of strengthening Georgist arguments.³⁴
- Reviewed books by other Georgists and about non-economic aspects of Georgism.
- Wrote for and aided a variety of Georgist institutions:

*"Throughout his life Brown was active in organizations supporting the single tax idea and was a contributor to **Land and Freedom**, **The Freeman** and the **Henry George News**, among others, and, from its inception, the **American Journal of Economics and Sociology**. As mentioned earlier, he served on the editorial board of this journal along with, for a number of years, two other economists, Harold Hotelling and John Ise. Hotelling was sympathetic to land value taxation as was Ise originally, although the latter was shown to have altered his view by E. R. Brown. 108 Brown was also a founding member of **The Freeman's** editorial council along with William C. de Mille, John Dewey, George Raymond Geiger, Henry George III, Joseph Dana Miller, Albert Jay Nock and Kathleen Norris. His contributions to this journal (1938-1943) were highly polemical with titles such as: "The Clarions of the Battle Call," "The Void in College Curricula" and "Why States Go Totalitarian." **The Freeman** became the **Henry George News** in early 1943. Brown contributed many articles to this newsletter."³⁵*

Till his death, Harry Gunnison Brown was a Georgist through and through. At the exact same time, he was a modern, fairly orthodox economist. With these halves seamlessly integrated, he continued to advocate for Georgism without giving up hope. Even while the movement declined into irrelevance, HG Brown kept up the fight. Undeservedly overlooked today, we should be proud to claim him as our own.

Next week: join us as we explore the Georgism of Leon Walras, an economist who played a central role in the transition to modern economics.

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- 1 Christopher K. Ryan, *Harry Gunnison Brown: An Orthodox Economist and His Contributions*, p.2
 - 2 *Ibid*, p.1
 - 3 “One of Harry Brown’s admirers was the late Harold Hotelling, the distinguished mathematical statistician and biometrician. Harold once told me of the influence Harry Gunnison Brown had exerted on his own thinking.” (*A Remembrance of Harry Gunnison Brown*).
 - 4 The specific quote being: “The proposition that there is no ethical objection to the confiscation of the site value of land by taxation, if and when the nonlandowning classes can get the power to do so, has been ably defended by H. G. Brown” (*The General Welfare in Relation to Problems of Taxation and of Railway and Utility Rates*, p.256). As Thomas Michael Mueller also points out in *Rescuing Henry George: Optimization, Welfare, and the Monopoly Game in Harold Hotelling’s Economic Thought*, Georgism more generally seems to have had some influence on Hotelling. This makes some sense considering the overlap his contributions had with Georgist topics. For example, natural resources (*The Economics of Exhaustible Resources*), spatial competition (*Stability in Competition*), and natural monopolies like utilities. He was not particularly explicit about it however. The most blatant he got was being a founder of the American Journal of Economics & Sociology (*In Memoriam: Harold Hotelling, 1895-1973*, p.125). This was a journal “*founded in 1941, with support from the Robert Schalkenbach Foundation, to provide a forum for continuing discussion*

of issues emphasized by the American political economist, social philosopher, and activist, Henry George”.

- 5 “Bauder reported that he had been advised by John Commons, who expressed a high regard for Brown, to defend the professor should his interviewers raise the subject” (Harry Gunnison Brown: An Orthodox Economist and His Contributions, p.216)
- 6 Christopher K. Ryan, Harry Gunnison Brown: An Orthodox Economist and His Contributions, p.119
- 7 *Ibid*, Foreword
- 8 *Ibid*, p.1
- 9 *Ibid*, p.217 (Knights praise for Brown is particularly significant given how ferocious his critique of Henry George was)
- 10 *Ibid*, p.3
- 11 *Ibid*. Harberger also wrote: “My respect for him is enormous. He belongs in a league with Seligman and Hotelling as the best contributors to the literature of public finance over an entire generation of economists” (*Ibid*, p.97)
- 12 *Ibid*, p.215
- 13 *Ibid*, p.218
- 14 *Ibid*, p.131
- 15 *Ibid*, Appendix6A
- 16 *Ibid*, p.157
- 17 It should be noted as well that Brown believed in a form of “ATCOR” (Taxation: The Lost History, p.797). This is the idea that “All Taxes Come Out of Rent”. The vulgar version of this is that every non-LVT tax eliminated will simply raise land rents and values by the same amount. Theoretically this would mean that all current tax revenue could be gotten

out of LVT. In reality, ATCOR is a complex phenomenon with many caveats and doesn't fully hold in practice. Nevertheless, even more limited forms have implications beyond what most LVT-supporting modern economists think about. Browns interpretation of it may have influenced his notion that LVT could be a "chief" source for public revenue.

- 18 HG Brown, *A Defense of the Single Tax Principle*, p.63
- 19 *Ibid*, p.65
- 20 HG Brown, *Radical Literary Intelligentsia and Hard-headed Propertied Conservatives: A Study in Similarities*
- 21 HG Brown, *For Predation There Must Be Production*, p.253-254
- 22 HG Brown, *Bourgeois Confusion and Proletarian Myopia*, p.43
- 23 *Ibid*, p.46
- 24 *Ibid*, p.47
- 25 *Ibid*
- 26 For Henry George's concept of true free trade, see *Chapter XXVI: True Free Trade* of his book *Protection or Free Trade*.
- 27 HG Brown, *The Taxation of Unearned Incomes*, p.7
- 28 HG Brown, *Bourgeois Confusion and Proletarian Myopia*, p.45
- 29 HG Brown, *Radical Literary Intelligentsia and Hard-headed Propertied Conservatives: A Study in Similarities*
- 30 *Ibid*
- 31 For example, he quotes an entire section of *Progress and Poverty* in *The Taxation of Unearned Incomes* from pages 28 to 34.
- 32 Which incidentally happened to have an introduction written by the famous philosopher, psychologist, and educational reformer John Dewey.

(himself an ardent Georgist).

- 33 HG Brown, An Academic Psychosis, p.19
- 34 See for example his critique of Henry George's ideas about income from capital goods in Henry George and the Causation of Interest.
- 35 Christopher K. Ryan, Harry Gunnison Brown: An Orthodox Economist and His Contributions, p.139

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