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EDITORIAL

## THE USES OF THE PROFESSORS SELIGMAN.

By DANIEL DE LEON

**E**DWIN R.A. SELIGMAN, a professor of political economy at Columbia University, appeared last week in several of the metropolitan dailies with a signed correspondence to correct the reports of what he said with regard to the taxation of State and municipal bonds. Prof. Seligman argues that Gov. Hughes was not likely to have been guilty of such a blunder in economic reasoning as to hold that “the State bonds would suffer a depreciation in value” as a consequence of their being



EDWIN R.A. SELIGMAN  
(1861–1939)

rendered subject to taxation. In other words, Prof. Seligman holds that the rendering of bonds, which were not taxable, subject to taxation would not cause the bonds to suffer depreciation.—Droll reasoning, for a professor of anything, especially of economics.

Bonds—like any other article possessed of utility, “use value,” just as shoes, hair pins, cattle on the hoof, college professors by the job lot, bales of hay, etc., etc.—like any of these, bonds are bought for the sake of the special utility that is in each of them. Any law, or circumstance that would reduce the utility of any of these articles can not choose but impair their desirability, and thereby to tend to depreciate their price in the market. The special, the particular, the peculiar utility, that such contrivances as bonds are instinct with, is the quality of yielding, of sweating, a certain amount of revenue without impairment of the principal. For instance, bonds bought for \$100 may yield every year, say for 100 years, if that be the term of their validity, \$4 every year. At the expiration of that term the bonds will have sweated \$400, and yet the original \$100 would remain sound as an apple. It follows that one of the things to render the bonds desirable is the prospect of their

yielding that \$400. Hence it follows that, if the bonds were untaxable, their desirability would be equal to \$400; whereas if they are rendered taxable, their desirability would be reduced by as much as the tax would reduce that \$400. It is not impossible that other things might happen to counteract the reduced desirability. The counteracting circumstances might be so powerful as even to raise the desirability and, thereby, the market price of the bonds. All the same, the tax works in the opposite direction. In the absence of the tax the price would be still higher.

This is economic logic. Nor is the professor wholly unconscious thereof. Barely ten lines after denying that taxation would cause the bonds to suffer depreciation, Prof. Seligman, wholly unconscious of the inconsistency, admits that “an express exemption of State bonds from taxation would be to enhance their market value.”

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Another feature of Prof. Seligman’s letters to the papers is the calm, cucumber-like coolness and matter-of-course manner in which he alludes to the fact that there are national, State and other government bonds free from taxation. This, of course, was a fact known to the well-informed, nevertheless a damaging fact for a professor of capitalism to mention. The mentioning of such facts is in the nature of family disagreeable truths blurted out by the tribe of “enfants terribles.” It is an ugly “family secret,” a secret that the “capitalist family” should and does otherwise endeavor to keep from proletarian knowledge, that they—the family of capitalism; the patriots and pillars of society par excellence; the ones who derive sole protection from class government, with its police, and militia, military and other forces of repression—exempt themselves from supporting the said government by exempting themselves from taxation upon the bonds that they bond the nation with.

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While taxation, together with questions that effect {affect?} the depreciation or appreciation of bonds, is an economic issue that does not concern the proletariat in the slightest, and the capitalists may be allowed to fight it out among themselves,—while that is so, such signed declarations as Prof. Seligman’s are of deep interest to the by the Prof.-Seligman-class-despised layer of society, towards whom the Prof. Seligman class assume the posture of superior intellects and

matchless patriots, God-ordained to teach, direct, and govern.

It is well for the class that is expected to look up reverently to their “Superiors” to take the measure of these gentlemen. A prime opportunity therefor is offered by these letters of Prof. Seligman—a professor at a University—the University excluded by Bishop James A. McFaul of Trenton, N.J., from the list of the land’s Universities, which, last year, he placed by name upon his Index Expurgatorius, against which he launched his anathemas, and which, had he the power, he would treat in the manner that another Prince of the Roman Catholic political hierarchy, Cardinal Ximenes, treated the magnificent libraries left behind them by the Saracens when they were driven from Spain—burn them to the ground.

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