

# Different School Systems Are Reviewed

Richmond Times-Dispatch, Sun., April 12, 1959 D-3

*(This is the first in a two-part series of a report on the Economics of Universal Education prepared by two professors of economics at the University of Virginia. The second of the series will appear in The Times-Dispatch Monday.)*

By G. Warren Nutter and James M. Buchanan

Although constitutional, social and political factors may prove to be of overriding importance in resolving the current school crisis, an understanding of the economics of universal education is essential for informed discussion and intelligent action on the educational issues now facing the state of Virginia.

In our professional or academic capacity, we have not participated in the public discussion of fundamental ethical questions involved in the school crisis, because we do not feel that our academic or professional status, of itself, bestows special authority or competence to speak on these issues. Each citizen speaks for himself on such matters, and each citizen's opinion weighs as heavily as any other's, no matter what his position in society—whether farmer, lawyer, educator, or minister.

Although our ethical views have nothing to do with the economic issues we propose to discuss, we state them here in brief in order to forestall misunderstanding: We believe every individual should be free to associate with persons of his own choosing. We therefore disapprove of both involuntary (or coercive) segregation and involuntary integration. At the same time, we are deeply concerned over the serious constitutional questions raised by recent policies of the federal judicial and executive branches. Having given our ethical views, we must insist again that they have nothing to do, one way or the other, with the economic questions on which we are about to comment. These questions are what they are no matter what we believe in or wish were so or not so. They are matters of fact, not of values. And we feel qualified to discuss these matters of fact in public by virtue of our professional training and practice.

### Principles of Education

The case for universal education is self-evident: a democracy cannot function without an informed and educated citizenry. Since children are not responsible members of society, education—whether universal or not—inherently involves compulsion, on the part of parents or guardians if not on the part of government. If education is to be universal, compulsion must be exercised by government—that is, by the collective organ of society—since some parents might choose to keep their children out of school. For similar reasons, minimum standards of education must

be determined by government. Otherwise, the requirement of education is empty and meaningless.

It is equally clear that there must be collective financing of universal education, for some parents will not be able to afford the minimum quality of education prescribed by government for their children. The education of these children must be subsidized—that is, financed by funds collected from persons with higher incomes. Education cannot be denied to those who lack means, not only because social interests dictate that they should be informed citizens, but even more importantly because education is the most effective measure at our disposal for rectifying the inequalities of opportunity suffered by the less fortunate members of our society.

The full burden of universal education should not in any event be borne by today's parents alone. The benefits of universal education accrue to the whole society, and everybody able to pay should contribute. There are, then, three essential governmental responsibilities in a system of universal education: compelling attendance, fixing minimum standards, and financing cost. In the United States these responsibilities are assigned to state and local governments, and we assume this will continue to be so.

### Alternative School Systems

The first step to clear thinking is to recognize that universal education can be provided through a variety of school systems. There is no single set of institutions uniquely required to fulfill the objectives of universal education. For example, our present system of what are called "public schools" is but one method of organizing universal schooling. There are a number of alternative systems, each as good as the other in certain basic respects, but all differing from each other in other respects. The problem is to find the system with the largest number of desirable characteristics and the smallest number of undesirable ones.

We may illustrate with the problem of financing education. This can be done in any of three ways. First, every child pays the full cost of his education, but he is given a stipend, varying with his parents' means, financed by taxation. Second, no child pays anything (education is "free"), the cost of every child's education being paid by taxation. Third, every child pays the full cost of his education, but he is given a tax credit. These methods are formally equivalent in that any one of them can be used to accomplish whatever degree of subsidization of education society decides upon. Each has its own administrative advantages, depending on how the school system is organized and operated.

It is important to recognize that state financing of univer-



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sal education does not make state or municipal operation of schools necessary. Failure to understand this has led to needless confusion in recent discussion. Privately operated schools are fully compatible with universal education. Great Britain is an outstanding example of a country with compulsory, governmentally financed education carried out in part in privately run schools. The privately run schools are financed by direct grants from the government, if they meet the standards laid down.

This brings up the fact that state and local governments need not run schools in order to set minimum standards of education. Standards may be set in several ways: by certifying teachers, by accrediting schools and basic curricula, by examining pupils, and so on.

The question of what kind of school system to adopt rests on many considerations—political, social, religious, economic, and so on. We will limit our comments to the economic considerations, which is not to say that they outweigh the others, but that we have no special competence to speak outside the economic area. We also feel that there is a particular need to clear up some popular misconceptions of the economic aspects of education, evident in much recent discussion.

From a strictly economic point of view, the best method of operating schools is, in the first place, the one that provides the most educational services for a given expenditure of resources. Put the other way round, it is the system that provides a given standard of education at least cost. This is the test of efficiency, and it is an important one. But equally important in a democratic society is the test of progress. The best school system from this point of view is one that

would be free to choose among several to many schools for his children, every one meeting minimum standards but differing in other respects. There would be only one school available in a number of smaller communities, though this need not create a general problem if choice among schools is not limited to the community in which one lives. In the small isolated community, an element of private monopoly would be unavoidable.

### Diversity of Education

Second, with the exception noted, there would be a diversity of educational programs, within as well as among communities. This diversity would undoubtedly take many forms, and it is literally impossible to predict all of them. For one thing, there would be differing emphasis: some schools would stress classical education, others vocational, still others academic preparation, and so on. Every parent would cast his vote in the marketplace and have it count to the extent that it did not conflict with the minimum set by government.

The analogy here is with proportional representation schools: would arise to represent every major group of attitudes on education. Along the same lines, schools would be organized in diverse ways except as prohibited by law. There would be so-called non-profit schools, with and without endowments, and so-called profit-making schools. If people were left free to choose whatever form they preferred, the most efficient would tend to establish itself, and this would vary from community to community. One curious fact is that the public is prejudiced against profit-making schools, so much so that they are now prohibited by law from participating in the tuition grant program in Virginia. This prohibition is strange since profit-making schools can exist only by passing the test of survival—by being more efficient than other forms. Nobody is prevented from setting up a non-profit school if he feels it will outperform a profit-making one. The prejudice here is no doubt due to associating "profit" with "monopoly profit," or exorbitant gain. But more profits are small, not large, as almost every retailer or grocer—owner of a private school—can testify.

### The Broad Choice

The broad choice, as we have indicated, is between state-run and privately operated schools, or some mixture. We now have state-run schools. Of course, there are private schools as well, but they are not financed by the state—though they soon will be—and therefore lie outside our consideration for the moment. Economically speaking, the present school system has the same characteristics as any industry socialized on a state or local basis.

First, it is for all practical purposes a monopoly. "Public schools" are available to all parents on a feeless basis, while alternative "private schools" are available only on payment of fees, in many cases covering the full cost of education. Second, the educational program is decided through the political process—by boards appointed by elected officials—and, generally speaking, only one program is offered in any community. This is merely to say that education tends to be highly standardized, at a level that can be absorbed by the bulk of students. Progress in education arises from experimentation, and this takes place to the extent that educational programs differ from one community to another. The driving force for experimentation is "community spirit," as expressed by a majority of voters at any time.

Third, efficiency depends largely on nonpecuniary incentives and is tested by comparisons with systems in other communities, similarly motivated. One school board tests its efficiency by examining the performance of other school boards. Public-spiritedness and devotion to duty must be relied on to motivate administrators and teachers to seek cheaper ways of doing their jobs.

The characteristics of a system of privately operated schools would be different. We suppose, let us recall, that education would be financed by state and local government and that minimum standards of education would be prescribed. We should expect, first, that in most communities each parent

## UR Science Day Draws 450 Youths; 80 Exhibits Shown

Continued from First Page

Jefferson High School won second place for "a study and comparison of modifications of the B-7 auto-gyro." Bonnie Nelson of Victoria High School, Victoria, won third for a project on science teaching.

**Winner Invited**

All the top winners and exhibitors who took honorable mentions were invited to exhibit again at the Virginia Academy of Science meeting in May at Charlottesville. Winners from three other contests will be exhibited at that time and state winners picked.

Winning honorable mention in biology were Raymond Baggs, Fairfax; Jack Redmond, Thomas Jefferson; Patricia Trent, Douglas Freeman; John W. Ayres II, Thomas Jefferson; Dale Hunter, John Marshall.

Chemistry honorable mentions included Tommy Faulkner, James Monroe; Virginia Bateman and Mary Wright, Swanson; Patricia Ann Long, TJ; Anne Claiborne Rose, TJ; Ralph M. Jones, Henry Clay; Jerry Oliver, Gloucester; Sandra Duffell and Charlotte Hauch, Swanson; Sheila S. Katz, TJ; Betty Mallory, Montpelier High School, Beauverdam.

Physics: Banks Franklin, James Monroe and Billy Home, Henry Clay.

Miscellaneous: Lester M. Parlow, Fairfax; Stephen G. Williams, Fairfax, and Charles F. Toles, Thomas Jefferson.

## Nelson Sheriff Faces Contest

LOVINGSTON, April 11.—William N. Whitehead, 33, deputy sheriff in Nelson county since 1956, said Saturday he will oppose Sheriff Forrest D. Wood in the July Democratic primary.

A native of Nelson, Whitehead attended Lynchburg College and served in the air force during World War II. He was a farmer and orchardist before becoming deputy sheriff. He has been active in the Masses Mill Ruritan Club and the Piney River volunteer fire department.

The post of treasurer, being vacated by S. E. Saunders, and two county board seats are also being contested in the July Democratic primary in Nelson county.

## Courses for Teachers

BLACKSBURG, April 11.—An \$18,000 grant to Virginia Tech from the National Science Foundation will enable high school science and mathematics teachers who live within commuting distance of Blacksburg to attend courses at the college during the 1959-60 academic year.

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### In Monday's Richmond News Leader

TURNING TIDE  
Is the tide turning back to male superiority? At least one reader of the Ann Landers column thinks so. Read his letter and Miss Landers' reply in the Women's Pages Monday.

BASEBALL SECTION  
The 1959 baseball season is already underway. Read about the prospects of your favorite team in a special section of The News Leader Monday.

TRADE NAMES  
At the age of 40, most men are settling into a business groove. Frank J. Sampson decided it was time for a change and went on to build up the Sampson Paint Manufacturing Co. Read his story in Trade Names Monday.

GADGETS OR PEOPLE  
John K. Galbraith has written a book in which he says the United States is spending too much money on gadgets and not enough on people. Charles V. Neal Jr., family financial counselor, discusses this idea in "Dollars and Sense" Monday.

KENNEDY AND '60  
Sen. John Kennedy of Massachusetts stands out as the favorite of the AFL-CIO for the White House in 1960, according to Holmes Alexander. Read Alexander's analysis of Kennedy's prospects on the Editorial Page Monday.

BASKETBALL TOO  
How did basketball begin? The answer to that question is contained in the educational and entertaining feature, "Junior Editors," which appears in The News Leader Monday.

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