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Class on applied economics in Henry George School in Philadelphia, where economist was born almost 150 years ago.

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By GEORGE!

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A school here is devoted to economist's ideas

By Larry Fish
Inquirer Staff Writer

There's a ginkgo tree just turning green outside the Center City rowhouse, and in less time than it has taken for the tree to add a growth ring, land prices in downtown Tokyo apparently have jumped 600 percent, to \$6.7 billion an acre.

"I think that explains why the Japanese live so poorly," observes Furman Wilson, a senior medical technologist who holds down jobs at two hospitals.

Wilson's classmates and teacher grimly agree that Tokyo's zooming land prices are a very bad sign indeed. They are all Georgists. This is the opening of another semester at the Henry George School in Philadelphia, which since 1935 has been dedicated to spreading the unique economic vision of Henry George (1839-1897), a major economist and social reformer of his time.

Today, there are only "a couple thousand" people worldwide committed to George's belief in the Utopia to be achieved through a property tax, according to one Georgist, but the school turns out a few converts every year. The Henry George School is in the small brick rowhouse at 413 S. 10th St. where George

was born almost 150 years ago; the historic bed is preserved in a second-floor bedroom.

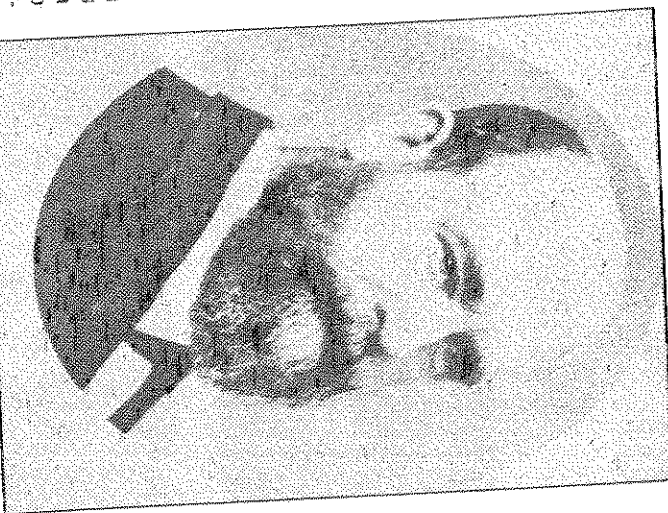
George's message, taught here by volunteers in noncredit courses costing just a few dollars, is that all society's ill flow from land speculation and rents, which Georgists see as the only form of wealth that produces no usable product to benefit society.

To a Georgist, the same system that brings forth the grandeur of One Liberty Place, visible a few blocks away through the ginkgo's branches, also forces some people to live on vents.

It is also a system that has recently enriched the school and the movement by \$3 million — they did very well on the sale of the school's New York headquarters in midtown Manhattan. In the view of the Georgists, it is exactly that sort of appreciation in land values that ultimately impoverishes wage earners and even brings on depressions.

George's proposed remedy: a single tax, a high tax on land that would reflect the land's value, regardless of whether the land held a shack or a skyscraper. Nobody could afford to hoard land for speculation, but goods or services produced on it would be tax-free. As a

(see GEORGE on 9-C)



Henry George: Tax the land.

School keeps alive Henry George's ideas

GEORGE, from 1-C result, George said, commerce would flourish, wages would rise, poverty would disappear.

Fragments of George's message survive — last week Mayor Goode proposed assessing Philadelphia land at a higher tax rate than buildings, which he said would discourage speculation and encourage building. But as proposed by Goode, it is certainly not a "single tax," and the Georgist ideal seems nearly as far away as when it was first proposed.

Hailed as genius

In the optimistic, struggling, growing America of the 1880s, George was hailed as a genius after propounding the single-tax idea in his book *Progress and Poverty*. Political movements formed around his ideas, which he expanded, and he returned in triumph from a speaking tour as a figure of international importance. His influence continued to grow, and he ran for office, but his health began to fail. George died in 1897 in the midst of his second campaign for mayor of New York.

Nearly all of his influence died with him. In the memorable phrase of economic historian Robert L. Heilbroner, after death George "went straight into the underworld of economics, and there he exists today."

As a "semicrackpot."

His ideas are still taught — well, summarized — in the economics courses of the mainstream, but then they are mostly dismissed. The most damning accusation is that he lacked a sense of proportion: Rent and land costs are not thought to be central to a technical/industrial economy.

Unless you are a Georgist.

If you are, you see connections and patterns that explain almost all injustices.

You become a Georgist usually, by hearing about the school in a commercial on classical music station WFLN-FM (95.7), or by seeing an ad in a neighborhood newspaper and dropping by for one of the eight-week courses, Fundamental Economics or How Wall Street Works.

"I'm just excited that I came across it," says Timothy Lee Morrison, a serious young man who took the Fundamentals course last fall and, like most of the seven other students in this class, has signed up for the Applied Economics followup.

A courier for Federal Express, Morrison took courses at Temple University, he says, until a series of accidents interrupted his formal schooling. While at Temple, he took the basic economics survey course.

"It was interesting, but in comparison ... it did not really touch base with any specific ideas. You get directly involved in the realism of economics with Henry George," he says.

A committed student — even though the Henry George School isn't accredited and grants no degrees — Morrison read *Progress and Poverty* in his first class. Just finishing the book is an accomplishment, according to everyone who has attempted it: Morrison has its main points thoroughly memorized.

The course starting this night will deal with free trade and tariffs, but first there is a review of what the students learned in the first course.

The volunteer teacher is Richard L. Biddle, a teacher in the Philadelphia School District's Headstart program who has been a Georgist since attending courses at the Henry George School about 10 years ago.

"Does anybody remember from the last course what land prices were in Tokyo?" Biddle asks, and Morrison is quick with the answer.

"Per acre? \$880 million."

Biddle passes out photocopies of a recent Barron's magazine article, with a figure of \$6.72 billion for one Tokyo plot. It wasn't the same acre

that generated last fall's \$880 million bench mark; the class has used to gauge the Japanese madness, but Barron's calculates the overall appreciation rate for residential land in Tokyo was 69 percent last year, still plenty scary.

Georgists find it inconceivable that any acre could be used to produce \$6.72 billion worth of goods to enrich society, so such land speculation is seen as draining capital from productive uses to benefit passive, parasitic landowners.

And when rents rise, wages fall, George leaches. So do interest rates. Worse, Georgists believe that land speculation bubbles inevitably burst, bringing on depression, and because the Japanese and U.S. economies are so interwoven, they track Tokyo land prices the way they might watch the rise of a dangerous fever.

"Land," by the way, is more than just the stuff under buildings, according to Georgists. It is everything in the universe other than man and his products, basically all natural resources.

"We like to joke that water is land," says George L. Collins, an elegantly dressed man who has been director of the Henry George School since 1964.

Collins, an immigrant from Jamaica, says that he was a socialist before he came across the Henry George School in New York, which was founded in 1932 and of which the Philadelphia school is actually a branch or division.

The New York school was on East 44th Street until last month, in a building the school purchased for about \$650,000 eight years ago and to which it added roughly \$1.4 million in improvements.

New York's land speculation made it possible to sell the building for more than \$5 million.

The New York and Philadelphia schools are affiliated with Henry George Schools on Long Island and in Los Angeles and San Francisco, among other places, he says.

There also is a Georgist movement, based in London.

Diverse opinions

If the Georgists are a bit different, they are not wide-eyed different. This class is meeting on the day of Pennsylvania's presidential primary, and chatter among the students makes clear their ideological opinions are diverse but pretty catholic. Furman Wilson, the medical technologist, finds time to be vice president of his neighborhood association in Mount Airy when he isn't working at the Veterans Administration or Albert Einstein Medical Center. Weekly classes at the school last 2½ hours and the readings take another few hours a week.

"Many times I've practically been asleep, digging through the material," Wilson says, but he does it because "George demystifies what is considered complex. I sometimes say to friends, 'I wish you had a course at George.' ... George pushed me to try to understand what's going on, what it is all about."

Biddle, his teacher, says later that George doesn't preach total revolution.

"He's advocating really very little restructuring of society, very simple technical reforms," Biddle says.

But in his lecture to the class, Biddle invokes some of the fervor that seems to be the common denominator among Georgists.

"All human beings have an equal right to the land," Biddle says.

"Therefore, people should only use what they need. The basic issue is justice. Every day when we drive in Philadelphia, we see people hanging on by a thread, living on a beat vent. All their human connections have been cut. Justice has not been served."