

The Henry George News

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HGS Celebrates Earth Day

"Economics of Peace: An Earth Day Conference", held at the Henry George School in New York, was attended by over seventy, according to Mark Sullivan, Secretary of the Council of Georgist Organizations.

The Council worked in cooperation with Mildred Loomis of the School of Living in planning the agenda. Georgist groups such as the School, Henry George Institute, Henry George Foundation, Land and Liberty, and Incentive Tax League provided speakers and resources. Outside groups with common interests such as Students for a Libertarian Society, New World Alliance, People's Assembly and the Earth Society Foundation were invited and participated as well.

Highlights of the morning's activities included Mark Brady of S.L.S. on American intervention in other countries, Mildred Loomis on war atrocities and Jack Schwartzman on militarism. There was general agreement that violence, whether by individuals or by governments, was no solution to social conflicts.

The Law of the Sea was a primary topic in the afternoon schedule. U.N. Ambassador Arvid Pardo of Malta gave a capsule summary of international law relative to the oceans. Only 40% of the earth's oceans remained unclaimed by national governments, a major change from when 97% of these bodies were considered "high seas", free of national jurisdictions. The draft treaty is an attempt to place these unclaimed ocean resources, especially the mineral-rich sea beds, under international supervision. The treaty is currently in danger of being scrapped, due to the Regan administration's move to reconsider the progress made so far.

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Conference Set For N.H. July 1981

The 1981 Georgist Conference, to be held on the campus of Franklin Pierce College in New Hampshire, is scheduled to begin Thursday, July 9 and run through Sunday, July 12, according to Robert Clancy and Mark Sullivan of the Council of Georgist Organizations, who are coordinating activities for this event.

The small, private college is located on a lakefront with a spectacular mountain view. Many recreational activities are available including swimming, tennis and hiking. The site is accessible by bus from Boston's Logan Airport or by Vermont Transit Lines. A package deal that would include conference fee, accommodations in the dormitories and meals is now being arranged.

REPORT FROM FAIRHOPE

FAIRHOPE, Alabama--Here on the subtropical shore of Mobile Bay this early spring the blossoming of the white dogwood for the annual Arts and Crafts Weekend is regarded as timely as the principles of Henry George on which the community is founded. From Henry George Park, overlooking the beautiful beach, pier and promenade given to the city by the Single Tax Corporation, to the compact little downtown (uptown to Fairhope residents), land and the collection of its economic rent are major current subjects of concern, discussion and even passionate debate as they are nowhere else in the country.

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EDITORIAL

Arthur Laffer has been quoted as saying some nice things about Henry George, so it would be nice to return the compliment. On the basis of the early policy pronouncements presumably based on the Reagan Administration's reliance on Laffer economics, it would be difficult to make the feeling mutual. While beneficiaries of public spending--reported at least as 1 out of 3 American households--are raising the expected objections to the "cruelty and injustice" of the proposed spending cuts, others including serious economists and scholars have raised some fundamental questions about the validity of "supply side economics" or whether the new approach is likely to have any positive effect at all on inflation, productivity and the national economic health.

While Georgists generally would welcome cuts in both spending and taxation, there is no particular prejudice in favor of military over domestic spending or cuts in personal income taxes made up by rises in payroll taxes. In fact, an argument can be made that spending more for arms and continuing to index Social Security with inflation, both in payment and wage withholding, are likely to fuel more inflation than the food stamps and the income taxes the White House is ready to cut.

Aside from the disquiet over its budget proposals, a number of specific actions of the new Administration indicate its insensitivity to our deeper concerns with natural resources. The abrupt withdrawal from the treaty of the Law of the Sea, in which the principle of global sharing of only some of the ocean's resources is proclaimed, is not a good sign of planetary awareness. Here was a chance to tangibly demonstrate the principle of cooperation and equity in the natural resources of earth in an arena still relatively free of violent international conflict. Perhaps reconsideration, as Washington promises, will help lead this country and the world back to the cause of peace through freedom on a global scale.

On a domestic level, the movement to free broadcasters from government regulation includes a removal of any requirement from public service time, little as that was. That means the private use of the public airwaves will pay nothing back in kind or in cash, to the public which presumably owns this natural resource. If broadcast rights were leased, at the very least, like drilling rights on the Continental Shelf, we might collect some economic rent and make the market truly free. The devotion of the new Administration to free market economics might be laudable but will not be convincing until there is some recognition of the public need to collect the economic rent from monopoly access to our natural resources.

IS AN EQUITABLE PROPERTY TAX
ASSESSMENT PLAN ACHIEVABLE?

by Philip Finkelstein

The following is an excerpt from a speech given at Forum '81, a Public Affairs Dialogue for the People of Long Island, sponsored by the Nassau Democratic Committee, held February 28, at Hofstra University, in Hempstead, NY.

There is no magic, not even a great amount of sophistication necessary, to determine a single standard of value as the basis of everyone's assessment. Market value, or some uniform percentage thereof, however calculated, is a determination well within the capabilities of any local jurisdiction that levies a property tax. If it is not, then a higher level of jurisdiction, be it county or state, would be delighted to oblige.

The real question is not whether assessment can be equitable, but whether this state and this county will ever yield their disgraceful positions in imposing the highest burdens as well as one of the worst administered property tax systems in the country. Nowhere are the disparities between jurisdictions and between different kinds of property so broad, and to aggravate this mess, nowhere in this highest property-tax state in the contiguous forty-eight, are the burdens on taxpayers higher than in Nassau County.

Here in Nassau, the problems of inequity and unfair burden must be dealt with as one and the same issue. We do not have a Manhattan whose commercial values can more than make up for deterioration in the outer boroughs and even give some homeowners a big break. Even those communities that thought themselves secure with a nearby commercial rateable, are learning to their costly consternation just how far they can go in burdening them with local taxes. In the end, we all pay, whether the higher taxes are ours or our neighbors, on our homes or our businesses.

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CENTER FOR LOCAL TAX RESEARCH
PROPOSES N.Y. TRANSIT TAX

Public transportation could be financed in part by a tax on land values created by access to such transit, according to a proposal by the Center for Local Tax Research. The proposal was presented by Louise R. Pulini, Assistant to the Director, before the New York State Senate Transportation Committee at a Public Hearing of Commission on Critical Transportation Choices in Albany in March. The proposal stated:

"The question of financing public transit, always critical and controversial, takes on a new urgency with the proposed cutbacks in federal support. Even before legal questions were raised about the subsidy of public transportation from other sources, it has been clear that the economic base of our transit system is far from secure, even to maintain service at present inadequate levels.

The Center for Local Tax Research therefore proposes that a fundamental shift in the burden of support for public transit must be considered by the state at this time. If we want to tax the real beneficiaries of public transit, we should look not to the user, whether he is employer or employee, store or customer, factory or supplier. We should instead look to the one who profits most from public transportation and contributes least to it. The owner of the land, whose location values are substantially enhanced by the very existence of public transportation today enjoys a benefit, which we, the public subsidize.

The instrument for recovery for public transportation purposes is not even a new kind of taxation but the oldest and most widely applied tax of all, ad valorem tax on property. If every jurisdiction properly assessed all of its land on a current full value basis, there might be some measure of recovery of this unearned increment for at least local purposes. A special transportation tax on the values provided by public transportation to

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PROFILE: MITCHELL CHANELIS BY LOUISE R. PULINI

Mitchell Chanelis, new director of the Henry George School of New England, took a course in Georgist philosophy with Wendell Fitzgerald at the San Francisco school five years ago, and since then he has moved to Boston and begun the task of revitalizing the Georgist movement in that city.

Chanelis has traveled and studied all over the world. In 1970, he participated in a special program in Philosophy and Religion at the American University in Beirut, Lebanon. He attended the University of California at Berkeley, and participated in an experimental program there called University without Walls. He spent two years in England involved in theatre production, mime and street theatre, and video production. He returned to California, this time to the Bay Area, and attended classes and activities at the school there. He decided to continue his interest in Georgist philosophy when he moved to Boston.

His association with Bob Swann and the Institute for Community Economics led to the formulation of a series of educational seminars dealing with land value taxation, sponsored by the Institute. At this time, he also met several members of the New England School. Although the school had received a charter in 1935 and at one time was very active, no particular programs or activities were currently being offered to the public. He attended the Joint Georgist Conference in New York in 1980 and presented his initial proposal of formally "opening" the school again. In January, 1981, he was given the official go-ahead to present programs and offer course by the Board of Trustees in New York.

He now works closely with an advisory board in planning programs. A course in Fundamental Economics is scheduled to begin the end of April, and he is now arranging a Public Forum on Land Taxation in Jamaica with M.I.T. Professor Daniel Holland and the Lincoln Institute. He has testified before the Massachusetts State Senate regarding Proposition 2 1/2, receiving some publicity as a result. Chanelis hopes to step up promotion efforts so that the public will be more aware of the school and the newly energized Georgist activity in Boston.

URBAN WORKSHOP SCHEDULED FOR MAY

The tenth annual High School Workshop is scheduled for Thursday, May 21, at the Henry George School in New York. The all-day event, open to high school students in the metropolitan area, is a joint effort sponsored by the school and the New York City Council on Economic Education.

The program will focus on the economic problems of the metropolitan region. For the morning session, presidents of well-known local corporations representing manufacturing, service, and franchising functions, appearing on a panel, will discuss the problems of conducting a business in New York. Nathan Quinones, Executive Director, Division of High Schools, will be the Moderator.

During the afternoon session, Philip Finkelstein, Stan Rubenstein, Joseph Weintraub, Principal of Newtown High, and Dr. Albert Alexander of the Council will address key problems of the metropolitan region, particularly transportation, land use, and energy.

SCHOOL NOTES

NEW YORK

Two special courses are being offered at the New York School, beginning April 27. Stan Rubenstein, Director of the Long Island extension, will teach Fundamental Economics, using the recently revised course he developed with Fryda Ossias, which integrates current materials with the classic works of Henry George. The two-hour sessions will be held in the auditorium on Monday evenings, from 5:30 p.m.-7:30 p.m. A Luncheon Forum on current economic problems will be held every Tuesday at noon, beginning April 28. Faculty and staff will conduct the informal sessions based on issues of greatest concern today--inflation, unemployment, the environment, energy, and natural resources. The public is invited to bring lunch and beverages will be provided.

SAN FRANCISCO

A special one-day seminar, dealing with the basic tenets of the course, Economics As If People Mattered, was offered as a public service to residents of the Bay Area, on Saturday March 28, at the school. The topics explored included the fundamental economic principles, how wealth is produced and distributed, and the law of rent. Filmstrips and films provided further annotation of these ideas.

TORONTO

The School of Economic Science has acquired a regular educational 'spot' on local community cable television in Toronto. The program, 'Geocentre', is hosted and produced by Tim Fielding. Recently the film, "For the Land is Mine" was shown on the program.

LONG ISLAND

Enrollment in five classes of Fundamental Economics, held as part of Adult Education classes in high schools on Long Island, totaled over three hundred students. Of the eighty who finished the basic course, thirty completed an advanced course, Contemporary Issues, based on George's Social Problems, and fourteen completed a new advanced course, Critics of Henry George.

PHILADELPHIA

Trustee Jack Himmelstein is teaching an advanced course, Applied Economics, beginning Wednesday, April 22, at the Philadelphia birthplace. The course employs critical analysis learned from Fundamental Economics to a broad range of contemporary problems.

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Dr. Harry Lerner of the People's Assembly presented a film, "Nuclear Countdown", which depicted the threat of terracide or "Earth-kill", posed by the stockpiling of nuclear weapons and the proliferation of nuclear technology. Following the film, Kirkpatrick Sale of the New World Alliance correlated periods of growth of nationalism with those of war and inflation. Other participants included Robert Clancy on the single tax, Dan Sullivan on land trusts, Lynn Stone on world hunger and John McConnell on the history of Earth Day.

There was general agreement and support by the participants for monthly meetings concentrating on specific topics and ideas presented at the conference. At the first meeting, held on April 9th, the Council and the School of Living planned an ongoing series of study groups, workshops and forums to further explore decentralism, land reform, and the economics of peace.

Pollard Speaks To CA, KC Educators

Harry Pollard, Director of the Los Angeles School, gave the keynote speech at the California Association of the Gifted Annual Conference, held in San Diego.

Pollard said:

"The Interstudent High School Program concentrates on teaching the knowledge of truths. Though it may be important for young people to know about things, it is vital for them to understand why and how those things come about. An understanding of truths will enable them to make reasonable, effective and proper choices in the years ahead".

Before he appeared in San Diego, Pollard traveled to Kansas City, at the invitation of the Economics Department of the University of Missouri, where he gave a series of lectures to university classes on Public Finance, Urban Economics and History of Economic Thought. He also conducted a luncheon seminar with eight faculty members while on the campus and was interviewed by students for both the university television and radio stations.

Pollard received televised coverage of his lecture at suburban Belton High School, addressed four classes at Barstow Senior High, an exclusive private school and held an all-day session at Shawnee Mission High, where the curriculum committee will be meeting soon to decide whether to use Pollard's Interstudent program.

As for additional media coverage, he was interviewed for a television news program on a major station. The large volume of calls from listeners of a popular radio program that Pollard appeared on prompted the station manager to invite him back for an extended 3 1/2 hour discussion/interview. He will return to Kansas City in the summer to follow up on these radio appearances.

(The following article, "Henry George Lives, Thanks to Harry Pollard", by Steve Rosen, appeared in the March 12, 1981 issue of the Kansas City Star and is being reprinted with the permission of the paper, c1981).

Harry Pollard was in Kansas City recently doing what he loves best—spreading the gospel according to 19th century American political and economic philosopher Henry George.

As director of the Henry George School, a non-profit organization based in Los Angeles, Pollard travels extensively in his quest to spread the philosophy of George, a social reformer, who attracted attention in the late 1800's with his idea that land is nature's free gift and everyone has an equal right to use it. George proposed to make the increase in the value of land the source of all taxation because he felt it would stimulate growth in the economy.

Pollard said he is at odds with many economists whom he faults for disregarding the social and political context of economic problems. "They are attempting to make economics scientific, but unless they have a decent premise they won't have good results".

One of Pollard's main concerns is the quality of economic education. "Many high school students are deplorably illiterate in the fundamentals of everyday economics. Kids go to college without a real understanding of how the free market works", he said. Since 1970, the Henry George School has made a concerted effort to get economics into the classroom. So far, some 200,000 junior high and high school students have participated in the program. The students become intensely involved in the program, Pollard said, because they are divided into teams and are given subjects to debate.

Ideas are important to the community not only because of its founding in 1894 as a single tax experiment by Georgists from Iowa but because of the future of the 1,200 leaseholders of the Corporation and the several thousand residents of the city that grew up around the "single tax colony" may turn on how they are now to be interpreted and applied. The Corporation collects a reported \$300,000 annual approximate land rent on its some 4,000 acres, out of which it pays all taxes to the city, county and all other local levies. While some lessees complain that their rents are too high and a few even refuse to pay at all, there is general recognition that the annual charges are something of a bargain, even in a state with one of the lowest property tax rates in the country. In fact, the low and most unchanging rents are part of the issue since the land itself has zoomed in value—perhaps to 100 times the current rent—as Fairhope grows in desirability as a community.

While there are some who like to debate the "single tax" as an abstraction, there is hardly anyone in Fairhope who professes to be against the idea as such. Even the so-called "dissident" lessees who are attacking the Corporation have abandoned the clause in their own declaration of incorporation that sought to "demonstrate the unbeneficial nature, non-utility and impracticability of the single tax theory". Now the debate is not over whether the principle works in practice but over how assiduously it should be implemented. The Single Tax Advocates want to teach and promulgate the ideas of Henry George and urge the Corporation to carry out the provisions of leasehold spelled out in the Constitution. The advocates want Fairhope known not just as a nice town in the area but as a successful demonstration of a Georgist community.

They feel the days of experimental colony are long past and it is time for the rest of the world to sit up and take notice, maybe learning something and maybe pushing Fairhope to be the model originally intended. The Corporation, suspect by almost all because of its less than fully public disclosure of its activities, expresses greater caution. Aware of the routine violation of its constitution by some leaseholders who sublease their properties for higher rents than they pay, of chronic non-payers, absentee holders, improper users and outright speculators, officers and a few leading members talk of a "crackdown" and a stronger effort than in the past to have the community live by its own rules. Hope tinged with skepticism is the general reaction to these recent protestations. The attempt of the Corporation to dissolve itself a couple of years ago, legally thwarted by a group of non-member lessees with the outcries of outraged Georgists from around the country, continues to fuel the doubts about its basic motives. The distrust extends to the former head of the Corporation, reportedly the wealthiest citizen of Fairhope and widely believed to control the affairs of the Corporation, a control he personally disavows.

A further and sometimes ominous awareness, that the stakes have become too large to allow any one group to dominate or to try to cash in on the bonanza. A lucrative lease for oil rights on Single Tax property—there has been no exploration yet—has drawn heightened interest both from within and outside the community.

Is farming still viable so close to town? How do you compete with the highway shopping center? Should growth be encouraged, contained, channeled? These and many other questions faced by communities all over are being asked in Fairhope. It is a measure of the success of the community as it nears a century of survival that the answers it seeks are still, in part, in terms of the basic ideas of Henry George which brought its founders here.

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Difficult as the situation may be, we can act now to make things better. We can assess all property at full value and permit its taxation at varying rates. Classification of rates rather than assessments is at the very least honest in that it allows every taxpayer to know what he and everyone else should pay and doesn't permit the assessor to hide his mistakes.

A homestead exemption, which would allow the homeowner-taxpayer an automatic break of a percentage of his value, is another option. As far as I'm concerned, I would be prepared to exempt the entire house and every improvement thereon, if we could get a full assessment of the land value. That is not so far-fetched as it may seem, since it has been the position of proponents of the exemption, in the State Board of E&A and the Governor's Office, that the maximum exemption, at whatever percentage it is set, never exceed the value of improvement.

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property could be administered through a special assessment district, through local or regional authorities, or with the property tax itself, without a new, expensive, administrative apparatus. The method would be the same as those of special assessment districts which provide such improvements as irrigation in California or sewerage elsewhere and any number of capital improvements that confer a special benefit to particular locations. Fortunes were created by transportation systems, from the billions amassed by Penn Central, to the profits of land owners all along major transit lines".

Others offering testimony before the committee included Donald Plavin, new Executive Director of the Metropolitan Transit Authority, Henry Peyrebrune, Assistant Commissioner of the New York State Department of Transportation, and Carol Bellamy, President of the City Council of New York.

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