

# The Henry George News

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## Conference Opens New Building

by Louise R. Pulini

More than one hundred people attended the 1980 Annual Joint Georgist Conference at the new headquarters building of the Henry George School in New York over the Labor Day weekend.

In his opening remarks recalling the 1979 Centennial Conference, HGS president Paul S. Nix, Jr. said:

This will be a more modest conference than last year's in the size and scope but not in spirit. Our success should be judged not in numbers but in our renewed willingness to work with each other and all others who are ready to listen to the fundamental truth of our ideas.

Mr. Nix welcomed all Georgists to come to this new home and share the ideas and present approaches about how the School can have greater impact and more visibility.

The inequalities and vagaries of the current property tax and assessment system and feasible solutions for these problems were presented in panels on New York and Pennsylvania situations. Philip Finkelstein, who chaired the New York panel, characterized "reform" efforts as "a very powerful tail wagging a very ignorant dog." Don Clifford of the New York State Board of Equalization and Assessment, referred to proposed legislation that would offer viable alternatives to homeowners and George Kerchner of the Center for Local Tax Research presented a proposal that would ameliorate the property tax burden in New York City. Larry Spancake, also of the Center, offered his view as an economist of the effects of full value assessment in the New York metropolitan area.

Councilman William Coyne of Pittsburgh reported on the surge in building in his city that has resulted from the doubling of the land tax in 1978; Richard Biddle predicted that within five years there would be a differential tax rate in Philadelphia. Steven Cord, who headed the panel, urged homeowners to get involved politically on behalf of their constituents.

The economic planks in the platforms of Republican, Democratic, Libertarian, Independent, and Citizens presidential candidates were explained to the conferees by representatives of the respective parties that was followed by a question-answer period.

Dr. Arch Woodruff headed a panel on the Developing World. Alanna Hartzok, education director of the HGS in San Francisco, who recently attended a World Citizen's Assembly that met in Tokyo, Lucy de  
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Conferees gathered 'round the Henry George tree.

## Name New HG Council Heads

Robert Clancy of the Henry George Institute and Ed Dodson, a banker from Philadelphia, have agreed to serve as chairman and vice-chairman, respectively, of the Council of Georgist Organizations. The two men were elected to serve a one-year term at the meeting held on Sunday, August 31, during the annual Joint Georgist Conference.

Philip Finkelstein (who chaired the meeting in the absence of Clay Berling, the past chairman) recognized the importance of committing resources to people and offered space to the Council in the School's new building. Floyd Morrow offered the charter of Land, Equality and Freedom (LEAF) with 240 active members to the Council as well. Claude Arnold of Fairhope agreed to head a committee that will consider organizations which will comprise the council and lend financial support.

Mary Davis of Atlanta, who had been instrumental in getting the Council on the Conference agenda, was recognized by the group for her support and her efforts to get a national membership organization off the ground. Davis expressed the hope that the Council will perform vital coordinating and clearinghouse functions for the Georgist movement in the future.

Another function of the Council, as suggested by Steven Cord, would be to help smooth the transition from one conference to another, with periodic reports on future plans for ensuing meetings.

Both Clancy and Dodson were given authority to develop a budget for the next five year's income and to spend it on staff and equipment.

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## EDITORIAL

### NEW BUILDING/RENEWED SPIRIT

There are any number of standards by which to evaluate a conference, from a measure of real accomplishment to some expressions of the participants that they had a good time. The scale from attainment to entertainment may not be so wide after all. People in good spirits can indeed get more done, and so it seemed at the 1980 conference which opened the new headquarters in New York.

Many conferees expressed satisfaction with the new building and its handsome facilities. While not as opulent as the old mansion uptown, the modern auditorium reception area and bookstore offer new opportunities to reach the public in a location at the heart of everything. A few friends were disappointed at not seeing the rest of the building, especially the library which is still being completed but will add an important dimension to our communications and research capability.

One tangible expression of this prevailing good spirit was the quick and unanimous agreement among all those present on the founding of a Council of Georgist Organizations and the designation of its leadership for the coming year, including the arrangements it will make for next year's conference. The structure, agenda, functions and operations of the Council remain to be resolved but its existence is assured at this time and it will have headquarters at the new Henry George building, where three of the organizations are already established. This may be the first crucial step in getting our Georgist act together. When it's ready, and we plan to make it soon, we won't have to "see how it plays in Peoria" or have an out-of-town tryout. The world of ideas and public policy, of communication and action, will get a firsthand look at our message and its application to the needs of today.

# Kerchner Offers Tax Reform for New York City

George Kerchner, senior research associate for the Center for Local Tax Research, presented a tax reform proposal at the 1980 Joint Georgist Conference on Friday, August 29.

New York City can gain another quarter-billion dollars in revenue, the estimated 1982 budget gap, by raising all land assessments to half their estimated full value without any reassessment of current improvements. The study by the Center for Local Tax Research concluded that the additional revenue could be gained at a tax rate of \$8.85 per \$100, half the increase in rate projected by the Mayor's office for January 1, 1981, a rise from the present \$8.75 to \$8.95. The City's projection was based on increasing revenue by some \$35 million within the current constitutional limitation.

Any further new revenue from the City's real property tax would require action by the New York State Board of Equalization and Assessment to report current property values more accurately in the city. The constitutional tax limit is based on the average of five years of full values of assessments in the City. This would mean raising the current full valuation of New York City property from \$87.1 billion, based on a 1976 survey, to about \$90 billion by updating the assessment percentages. Many city and state observers believe that a current and accurate survey of the City's real property market would justify such an increase.

The study goes on to note that increasing assessment on land to 50% of its estimated market value results in little more than the overall assessment percentage for all real property in the city which is calculated to be 46.3 for 1978/9. Thus this change only brings the estimated assessment rate for land closer to the city-wide average for all property. Assessments on improvements would not be raised at all, adding no further disincentives to maintenance and making the average tax payment increase small. An increase in land assessment could be accomplished without an expensive and burdensome revaluation of all individual parcels of property, through use of currently available computerized records.

The study demonstrates the impact of the increase on various types of real property. The highest percentage increase falls on office buildings. One-family homes would have initial increases of some \$300 on the average and less than \$200 after assessments reflect the new tax burdens. Should the City choose to forego some of the initial revenue, the increased taxes for homeowners could be kept lower.

The changes that the tax increases will have on the value of property are also reported in the study. A higher tax liability on a property makes it somewhat less desirable in the real estate market, causing its value to decline. This in turn reduces the original tax increase and so on until a steady state is reached. The reductions in value are

determined by the capitalization rate for real property, which is a ratio of net income to market value. To illustrate the study, this was assumed to be 15%.

While the higher tax burden could reduce the total base, this could be offset by new development spurred by the proposed lower tax on improvements.

Raising land assessments would also be a major step in the direction of equalizing and reforming the New York City property tax rolls as mandated by state law. Fears of the effects of full value reassessment on all city property have given rise to legislative proposals to remove the full value standard or even maintain the status quo which study after study in city and state, including the annual series on effective tax rates by the Center for Local Tax Research, has demonstrated to be an inequitable hodge-podge. A firm basis for equitable assessment standards is laid under this proposal, without an undue burden on any one class of taxpayer.

*Editor's note: The New York Times of Sunday, September 28, 1980 carried a lengthy article by Carter B. Horsley (page 6 of the Real Estate Section) based on Kerchner's paper.*

## CENTER FOR LOCAL TAX RESEARCH

Initial Impact and Steady State\* Increases in Real Property Tax  
From Increased Assessment of Land to 50% of Estimated Market Value†  
And Current Assessed Value of Improvement  
And Change in Tax Rate to .0885 from .0875

Building Class	Initial Impact		Change	
	Percent Average		Steady State Percent Average	
1 Family Dwelling	36.1	307	22.7	193
2 Family Dwelling	21.1	226	13.2	142
Walk-up Apartment	5.4	135	3.4	85
Elevator Apartment	1.1	661	0.7	416
Warehouse	1.4	184	0.9	115
Factory	1.9	209	1.2	132
Garage	3.4	149	2.1	94
Hotel	1.2	1,261	0.8	793
Theater	1.4	443	0.9	278
Store Building	1.4	154	0.9	97
Loft Building	1.1	282	0.7	177
Office Building	1.2	2,377	0.7	1,495
Condominium Apt.	16.2	139	10.2	87
Vacant Land	129.5	822	81.5	517
Other	10.1	357	6.4	224
Total City	9.	301	5.8	189

\* At 15% Capitalization Rate. † Market value estimate of land component calculated from 1978/9 assessed values and Assessment/Sales Ratio calculated from valid sales reported in 1977/8 edited to remove extreme ratios. 1978/9 Land Assessment used if A/S is greater than .50. 1. Total increase for Ordinary Real Estate is \$250,000,000. 2. Total increase for Ordinary Real Estate is \$157,000,000.

# The CONFERENCE: A Personal View

by Mark Sullivan

From the quiet mansion on New York's opulent Upper East Side, the Henry George School has moved into a six-storey renovated brick structure on 44th Street between Grand Central Station and Fifth Avenue. "No longer sheltered, but at the heart of this international city," I think as I stand outside the school on Friday morning waiting for the Conference to begin.

A large window displays the attractive new editions of *Progress and Poverty* and *Protection of Free Trade* as well as news items on land value taxation. Beyond the display I can see a large number of people inside the reception area. I note with satisfaction that my window browsing has attracted several passers by to do likewise. There had been no window display at the old building, nor were there as many people walking by . . . Henry George taking advantage of better site value in Manhattan.

Inside, there are a few familiar faces who introduce me to other interesting people—there are no uninteresting Georgists I am to discover this weekend. Conversations at first revolve around how one reached "Georgism"—there is no one "Georgism," I am to discover also. The variety among Georgists, from free market individualists to liberal socialists, impresses me with the appeal George has among those whose concern is the good society rather than partisan politics.

The proceedings begin with an introduction by the School's director. The topic, tax reform, starts the conference on the solid ground of the world outside our circle of a hundred or so participants. Methods of getting land value taxation increased and other taxes reduced (and the success achieved thus far) present to me the essence of a Georgist movement about which I had had only the vaguest notions.

Unlike my classes at the old building, these lively discussions at the new location are well grounded in a common cause and perspective. I find myself engaged in a four-day juggling act as I attempt to attend as many sessions as possible and talk to as many old Georgist friends as I can.

My favorite session is the one on "Neo-Georgism" in which all four panelists, Robert Andelson, Charles Collier, Jack Schwartzman and Bernard Bellush, disagree in their interpretations of Georgism, Neo-Georgism and Neo-neo-Georgism. As those around me react with excitement, I realize that Georgism is a living movement and not a dead orthodoxy. Is the rent fund a natural check against the growth of government spending and militarism, or should we condone taxation of labor products in addition to full land value taxation to maintain a strong defense? Do all taxes ultimately come out of rent, and is all land value speculation harmful?

Early Monday morning, I walk across Central Park to the summary meeting, chaired by Bob Clancy. Bob had just been elected chairman of the new Council of Georgist Organizations, so it was fitting for us to discuss the pros and cons of this conference and to make suggestions for next year's. After the meeting, a group of us walk to the Henry George Tree in Central Park.

For the first time, I see the plaque before the large tree that I had passed countless times, even that morning on my way across the park. The inscription reads:

"Henry George (1839-1897,  
Philosopher and Economist,  
Author of *Progress and Poverty*."

We all gather at the tree and the camera fans click their shutters. Lancaster Greene and Clancy recall the day the tree was planted in 1946 and the strong, beautiful voice of George Collins sings ". . . only God can make a tree."

I talk to a few interested observers and decide that I will return to this tree many times to reflect on the past and to tell people about the present and to hope for a better future.

## Building

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Silfa, director of the HGS in Santo Domingo and Dr. Harry Fornari of the NY faculty, were featured panelists. Another panelist, Robert Scofani, director of the HGS in San Francisco, reported on developments in Latin America and hunger in those countries as discussed in a UN Special Session he had just attended.

Dr. Albert Alexander, head of the New York City Council on Economic Education presided over a discussion of Fundamental Economics, in which Stan Rubenstein, Fryda Ossias, Michael Curtis and Harry Pollard presented their respective slants on teaching the basics of George's philosophy.

Rubenstein and Ossias recently revised the syllabus for the course, allowing for greater teaching flexibility and the introduction of contemporary materials.

Michael Curtis, of Arden, Del., and Claude Arnold of Fairhope, Ala., spoke about their respective land trust communities during a session led by real estate developer Leonardo Lassiter, whose rousing presentation won a standing ovation.

John McConnell, founder of Earth Day in 1970, addressed issues concerning ecology and the environment. He was joined by Mildred Loomis of the School of Living in York, Pa., and Seymour Rauch, of Buffalo, NY.

Dr. Robert Andelson of Auburn University and author of *Critics of Henry George* (reviewed in the

March 1980 issue of the NEWS) chaired Sunday's panel on Neo-Georgism. Charles Collier of Hamilton College presented a paper on "Neo-geo-Georgism," drawing from his piece in Andelson's book. Prof. Bernard Bellush noted Henry George's special contributions of "enlightenment and compassion" to the historic traditions of American radicalism.

The summary session was conducted by Robert Clancy who reported that "people present considered this a good conference, especially in not having to break up into separate sessions." For next year's conference site, a preference was expressed for New England, with St. Louis as an alternate choice.

Social activities included a wine and cheese reception held as a welcome to conferees, a three-hour cruise around Manhattan and a champagne reception in the auditorium preceding the banquet.

Over eighty people heard Commissioner James H. Tully of the New York State Department of Taxation and Finance and Richard Noyes of the Salem, N.H.,

Observer speak at the annual banquet in the Biltmore Hotel. George Collins, the evening's toastmaster, introduced Lancaster Greene, who presented a plaque in memory of the late Arnold Weinstein to his wife Connie. The inscription reads:

#### ARNOLD A. WEINSTEIN AUDITORIUM

In memory of our member, trustee, and past president who devoted his life to the cause of freedom and fairness for all.

Mr. Collins also called upon his Philadelphia colleague, Richard Biddle, whom he presented with the Fryda L. Ossias Service Award for "his loyalty, dedication and tireless energy" in working at the birthplace. Biddle is a faculty member and participates in the Incentive Tax League of Delaware Valley.

Finally, Conferees gathered at the Henry George Tree in Central Park on Labor Day for a closing ceremony.

## FALL PROGRAM

The Henry George School opened its fall semester Monday, October 6, in the new headquarters building in midtown Manhattan.

The Fundamental Economics course has been completely revised by Stan Rubenstein and Fryda Ossias, using the Henry George classic *Progress and Poverty* and contemporary materials. There are two sections to this course, one class offered one Tuesday and one Thursday. It is a prerequisite for all other courses except Money and Banking.

On Monday evenings, Dr. Harry Fornari teaches Land and Liberty, which he describes as "... an analysis of economic and political equity in the U.S. and the world." Oscar Johannsen offers Money and Banking, also on Monday evenings, examining the subject from the viewpoint of control by private enterprise rather than government.

Wednesdays Prof. Bernard Bellush poses a question to his students in a course entitled Reformers and Reform Movements in the U.S. "Did they insure the economic, political and social changes necessary to strengthen America democracy?"

Monday and Wednesdays, an elective offering of the Hunter College Political Science Department, The Politics of Urban Planning, is taught by Philip Finkelstein from 12:10 to 1 in the afternoon.

All classes meet once a week for ten weeks from 5:30 to 7:30 pm. The building will be closed on Monday, October 13, Columbus Day, and Thursday, November 27, Thanksgiving, and classes will end Thursday, December 18. Students pay a \$25 facilities fee which entitles them to take one or two courses.

The modern new facility has a lounge, classrooms and seminar rooms, a large auditorium and a library. The building is convenient to Grand Central Station and all major bus and subway lines.

Brochures are available by writing to the School, phoning or stopping by. Students may register in person or by mail.

Classes meet 5:30 to 7:30 pm.

One session a week for ten weeks

Monday, October 6 — Thursday, December 19

### Monday

Land and Liberty — Dr. Harry Fornari  
Money and Banking — Oscar Johannsen  
Politics and Urban Planning — Philip Finkelstein\*

### Tuesday

Fundamental Economics — Dr. Jules Zimmerman

### Wednesday

Reformers and Reform Movements in America — Bernard Bellush

### Thursday

Fundamental Economics — Irving Starer

### Holidays

Monday, October 13 — Columbus Day  
Thursday, November 27 — Thanksgiving

\* This class meets Mondays and Wednesdays from 12:10 to 1:00 pm. and is an elective offering of the Department of Political Science of Hunter College.

# Honor Weinstein's Memory

by Constance Weinstein (Mrs. Arnold)

During the many Henry George School Conferences which I attended, Arnold would never allow me to speak. Tonight it is my turn.

What most of you do not know is that I took the course when the School was on 29th Street, before I knew Arnold. It was because of this that I understand the time, energy and dedication that Arnold gave to the School. Sometimes, though I wondered which came first, the School or me.

I want to thank you very much for the honor you are extending on Arnold's memory by naming the auditorium for him and placing the plaque, with its very warm inscription, in such a prominent place where everybody who enters the auditorium can see it.

Arnold devoted 45 years of his life in serving the Henry George School—as a teacher, trustee, member and president. There were two facets to Arnold's program for spreading Henry George's philosophy. The first, and most important, was through education. He believed no one was too young to be exposed to Georgist philosophy. It was during his tenure that courses were started for high school students. Stan Rubenstein, Harry Pollard and Bob Tideman did excellent work in this field, and I am sure Bob Scrofani

is continuing in this tradition. It was also during Arnold's tenure that many colleges in New York State allowed college course credit for their students who attended Henry George School courses.

The second part of Arnold's program was to obtain proof that Henry George's philosophy of land value taxation would work. To do this, the Center for Local Tax Research was initiated, with Phil Finkelstein brought in to do the job. Now that Phil is also director of the School, he is responsible for carrying forward the progress of the School and the cultivation of Georgist ideas.

The new building is located in the center of the city. New York University and City University of New York both have busy midtown centers, only two blocks from here, where classes are held during lunch and right after businesses close. There is a whole new group of people looking for economic answers. Let's compete with NYU and CUNY to educate this new group. We have the works of Henry George, and through the Center, we have proof that George's ideas work.

As people pass this plaque on their way into the Arnold A. Weinstein Auditorium, they will be reminded of Arnold's devotion to Henry George and to the School. He will be remembered for his credo: "Fairness to all, Justice for all."

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