



the Illinois Georgist

Fall 2002 ♦ Volume 13, Number 4

Recent grads free!

Don't miss the Henry George Day Picnic

Our traditional Henry George Day picnic will be Sunday, September 1, 3-6 PM, in south Evanston. All friends of the School are invited.

Once again, Sue Walton has volunteered to coordinate our potluck. Please contact her at 847/475-0391 on August 28, 29, or 30 and let her know what you would like to bring. We will provide some deli things, soft drinks and beer. There is a fee of \$5 to help cover the cost of these supplies; for anyone who doesn't want to bring anything the fee will be \$10.

All fees are waived for everyone who has completed any of our courses during the preceding year.

For further information, or if you cannot wait until August 28 to phone Sue, call the School at 312/362-9302.

Fellowships available

The Lincoln Institute of Land Policy invites applications for David C. Lincoln Fellowships in Land Value Taxation. Projects may address either the basic theory of land value taxation, or its application to domestic or international issues. Applications must be received by September 17. For further information contact the Institute at 1-800-526-3873, or visit www.lincolninstitute.edu.

Alumni welcome too

Fall Schedule

This fall we again offer all three versions of our basic *Progress & Poverty* course. All cover essentially the same material. All the instructors are patient and will work with you to learn the concepts, but in the "accelerated" course you will find the ideas coming more rapidly than in the "relaxed" course. The "standard" course explores the ideas in somewhat more depth than the others.

Also on the schedule is *Poverty, Liberation, and Land Reform*, which is open to all interested adults without prerequisite, and *Economic Science*, which does require prior completion of *Progress & Poverty*.

Past graduates are always welcome to sit in on our classes to refresh their understanding of the fundamental principles we teach.

On the role of patents in promoting innovation

[I]n the vast majority of cases the men who make fortunes out of patents are not the men who make the inventions.

— Henry George, *Social Problems*, Chapter VI, 1883

They did a great job on the science, but with respect to the patent application, they are later than us.

— a Bavarian biochemist, concerning research done at a competing lab, quoted in the *Wall Street Journal*, August 6, 2002

Henry George School (Chicago) Fall 2002 Course Schedule

#	Course	(Version)	Day & Time	Start	End	Sessions	Instructor
Classes at the Henry George School, 417 S. Dearborn #510, Chicago							
1	Progress and Poverty	STANDARD	Thu 6:30 PM	Sep 19	Nov 21	9*	Chuck Metalitz
2	Progress and Poverty	RELAXED	Sat 2:00 PM	Sep 21	Nov 23	10	Roy Corr
3	Progress and Poverty	Accelerated	Tue 6:30 PM	Oct 08	Nov 12	6	George Menninger
4	Progress and Poverty	Accelerated	Wed 2:00 PM	Oct 09	Nov 13	6	George Menninger
5	Economic Science	ADVANCED	Wed 6:30 PM	Sep 18	Nov 20	10	Chuck Metalitz

Class in Evanston (Downtown, near Davis and Oak Streets)

6	Poverty, Liberation & Land Reform		Sat 2:00 PM	Oct 12	Dec 14	9**	John Kuchta
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All class sessions are scheduled to last 90 minutes. All classes are open to all interested adults, except that the ADVANCED class (Section #5) requires prior completion of Progress and Poverty (any version).

For course and version descriptions, see the School Catalog, available by calling 312/362-9302

* Section 1 will not meet on October 31

** Section 6 will not meet on November 30.

To register, use the reply form on page 3.

Letters

I enclose a contribution to the Henry George School [Chicago]. I was moved to write after reading your excellent article on Lincoln's Henry George C. D. [in the Spring 2002 issue]. I am indebted to you for dealing with a complex topic succinctly and clearly. And this is not the first time I have found your writing helpful; I still have in my file, pull out, and use on occasion the article you wrote some years ago on why the real estate tax is not all bad, but a good one because it taxes land values.

So keep up the good work. I've been an active Georgist since 1978, and a convinced Georgist since 1945. I've yet to find arguments refuting its basic premises.

— Don Hurford Phoenixville, PA

Thanks to our Contributors

Since our last issue, donations have been received from the following supporters:

Don Hurford Rev. Ron Schupp Kay Weisman

Additional contributions were received through igive.com. (To learn how you can support the School at no cost go to www.hgchicago.org/igive.htm).

Major funding is also provided by the Henry George School of Social Science in New York City.

There were also contributions of books for our library. David Hershey donated Margrit Kennedy's *Interest and Inflation Free Money*, and Grover Chapman provided Volumes I and II of Gustavus Myers' *History of the Great American Fortunes*.

The School's instructors, staff, and students value your support.

Ben Russell (1909-2002)

Ben Russell died June 12 at Mountain Home, AR. A Georgist since 1943, he was Associate Director of the Chicago Henry George School from 1945 to about 1953, when he moved to Traverse City, MI. He continued to teach Henry George classes in Michigan, and later when he moved back to Chicago and to Arkansas. He remained active as an instructor for correspondence students until this year.

In a letter published in *the Illinois Georgist* (Spring, 2000), Ben wrote that "over the years I have had the pleasure and challenge of working with an estimated 2400 to 2500 students." At that time Ben also donated to the School a teachers' manual which he and Director J. L. Monroe had created in 1951.

Cleaning up Lake Michigan: What would be fair?

The *Chicago Tribune* editorially informs us (July 5, 2002) that an estimated \$15 billion, to be spent over 20 years, will be required to restore and protect the health of the Great Lakes. They praise the "sound proposal" of a congressional candidate who wants to create "a Great Lakes Trust, funded by the federal government and the surrounding eight states," to provide the funds. There's no further suggestion, in the editorial or on the candidate's web pages, as to how these governments should raise the money.

The same day's *Tribune* reports that "Boomers sparking surge in 2nd homes." Around New Buffalo, in southwest Michigan, "vacant land on the lake starts at \$1 million" according to a local real estate agent. He goes on to say that "Some properties here have increased by \$1 million in just one year." Just in case we missed the point, the article observes that "The price. . . is driven by access to water."

So where shall we find the \$15 billion which authorities claim is required to protect the Great Lakes? Let us assume that the million-dollar lots have 100 feet of shoreline, a cost of \$10,000 per foot. Lake Michigan alone has shoreline exceeding 1600 miles, 8.448 million feet. Of course not every foot is worth \$10,000, but could the average be \$1,000? A 1% tax would then yield about \$84.48 million annually or, over 20 years, \$1.69 billion. Would that be a fair share for the owners of the Lake Michigan shore to contribute? If not, what would be fair?

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The Illinois Georgist is the newsletter of the Henry George School of Social Science, Chicago, Illinois. Signed articles reflect the opinions of their respective authors, and do not necessarily represent the opinions or policy of the Henry George School. Editor of *the Illinois Georgist* is Chuck Metalitz.

The School is a private, tax exempt educational organization under the provisions of the Internal Revenue Code Section 501(c)(3). Donations to the School can be tax deductible.

I enclose \$10 registration fee and would like to register for . . .

☐ **Progress & Poverty** (specify section number _____)

☐ **Economic Science** (section #5—you must have taken Progress & Poverty previously)

Please . . .

☐ send the School catalog including course descriptions.

☐ add me to your mailing list.

☐ change my address/name as indicated on the reverse.

☐ accept this contribution of \$_____ to help in the School's work

☐ contact me about tax-advantaged giving.

☐ contact me about volunteering to help the School.

☐ remove me from the mailing list.

Be sure that your name and address appear correctly on the other side of this form.

Mail this form to: Henry George School, 417 S. Dearborn #510, Chicago IL 60605
or fax it to 312/362-9303 with your name & address. If you
register for a course you will receive confirmation by telephone or mail.

HGS

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also a 1941 abridgement by University of Missouri economist Harry Gunnison Brown. These are 211, 232 and 220 pages, respectively. University of Colorado political scientist James L. Busey, in 1968, condensed it down to just 10 pages. St. Louis high school teacher Al Katzenberger produced a synopsis, 10½ pages.

Many other books do not claim to be modified versions of *Progress and Poverty*, but present largely the same ideas in a way that may be more enticing to some audiences.

Gaston Haxo's *The Philosophy of Freedom* (1941) follows the structure of George's book, but uses a simpler and more modern writing style, along with some tables and charts, to make the principles clear. In *The Wonderful Wealth Machine* (1953), Phil Grant uses 108 short chapters and 84 cartoons to present George's ideas in his own entertaining way. And we have quite a few other examples.

Be a critic

Both Chicago's current efforts involve a lot of judgment about what the important points are and how they should be rephrased. Knowledgeable Georgists are needed to critique the texts. If you're interested in helping, contact the School.

A side-by-side example comparing the two new initiatives described in this article is available from the School and will be placed on www.hgchicago.org.

Collecting the Rent*

Sometimes governmental authorities actually do manage to collect some of the rent. An advertising company has agreed to pay the City of Chicago "up to \$300 million" over 20 years in exchange for exclusive rights to place 2200 pieces of ad-festooned "street furniture," mostly bus shelters, on the sidewalks of the city. While one may deplore the proliferation of advertising, at least the community is obtaining some revenue, and perhaps some useful facilities, in exchange for granting a temporary monopoly on the use of public space. (source: *Chicago Tribune*, July 18, 2002).

*We speak here of economic rent, wealth which must be paid to the landowner in order to use what neither he nor any other person produced.

In some cities, transit authorities are also managing to capture a little of the value their services create by leasing their land to developers. The Los Angeles County Metropolitan Transportation Authority will receive \$500,000/year (plus escalation and a percentage of retail revenue) by leasing 1.35 acres to a developer in "the most complicated real estate transaction in the history of Southern California." At the other end of the country, the Washington Metropolitan Area Transit Authority claims to receive \$6 million or more annually from a number of developments, with more to come. Of course, there are no mechanisms for capturing much of the billions in value that transit creates on privately-owned land. (Source: *Metro Magazine*, Feb/Mar 2002)

Where is the land value?**

Here are some recent examples of how land rents and land value represent a large piece of the economy.

- Most of us are familiar with Habitat for Humanity, the organization that builds houses for low-income people. Volunteers, including the intended occupants, provide the labor and donate money for building materials. But they cannot build houses in some suburban areas where housing is unaffordable, because land is too expensive. Labor and building materials cannot be used to create land.
- TV Channel 50, WPWR, has been sold for \$425 million. Nearly all of this amount, of course, represents the value of the broadcast license. One way to look at it: If the market area reached by the station has a population of ten million, the right to broadcast to them is worth more than \$40 per capita. Another way: The most expensive sites in downtown Chicago sell for perhaps \$1000 per square foot (or more—see below). The value of the WPWR broadcast license is nearly equal to an acre of this most expensive land.
- The Esquire theater, at 58 E. Oak Street, was sold for a reported \$13.5 million. Assuming that the 12,500 square foot site will be redeveloped, this represents a price of \$1080 per square foot.

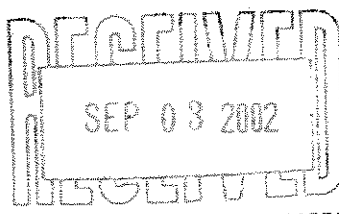
Sources: *Broadcasting & Cable*; *Chicago Tribune*

**In the economic sense, land is the entire material universe, except people and their products. Thus, it includes the electromagnetic spectrum.

Henry George School

of Social Science

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Your chance to be a critic

Making *Progress and Poverty* More Accessible

It's 565 pages long, 123 years old, and never described as "light reading." While the ideas presented in it are clear and simple, some modern readers are unaccustomed to its complex sentence structure and extensive vocabulary. For over a century Georgists have worked to make the content of *Progress and Poverty* more accessible to the contemporary public. Two projects in Chicago now extend that tradition.

Modernizing the text

Bob Drake, long-time HGS supporter (and owner of the independent jazz record label Kopaesthetics), is compiling a "thought-by-thought" translation to modern English, with the objective of producing a text which a modern reader could easily understand and retain. Virtually every idea and concept in the original book is included in the translation, except that a few examples, redundant phrases, historical or literary references have been dropped. Many of George's long sentences (including one of 182 words!) have been broken apart for easier comprehension. The resulting text has nearly as many pages as the original, but a much shorter reading time.

There is no attempt to critique, explain, analyze, or extend the ideas presented by Henry George. It is simply a translation into modern everyday language.

A first draft of the translation has been completed and is undergoing review and revision, which will be followed by copyediting and, it is hoped, eventual publication. Subsequently, it is to be abridged, resulting in a book of 150 to 250 pages presenting all the ideas in *Progress and Poverty*, in modern, easy-to-read English.

The Robert Schalkenbach Foundation provided initial funding for this project.

Inside...

Fall 2002 Schedule

Picnic September 1

Highlighting the main ideas

Separately, HGS Director Chuck Metalitz is creating a marginal gloss. This looks very much like the *Progress and Poverty* that we use now, except that in the margins is a gloss, or summary, of the key points. It allows the student (or anyone else) who does not have time to read the full text quick access to the main ideas, with easy reference to the text on the same page. Even those who do have time to read every word of the text can benefit from the restatement of the important concepts right on the page.

Pagination of the original edition is retained almost completely, to allow use of the existing index and question sets.

The first draft of this marginal gloss is 70% complete. The text originated as the copy placed on the Internet by the Robert Schalkenbach Foundation.

Not the first attempt

Our library at the Henry George School contains many examples of earlier efforts to make it easier for ordinary people to absorb the fundamentals of political economy which Henry George presented.

These include at least three abridgements of *Progress and Poverty*. Anna George de Mille in 1924 published one that "may make easy study for the college student and the business man." In 1953, British Georgists A. W. Madsen, V. H. Blundell, and P. R. Stubbings produced the excellent abridgement which we use in our accelerated and relaxed classes. There was

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