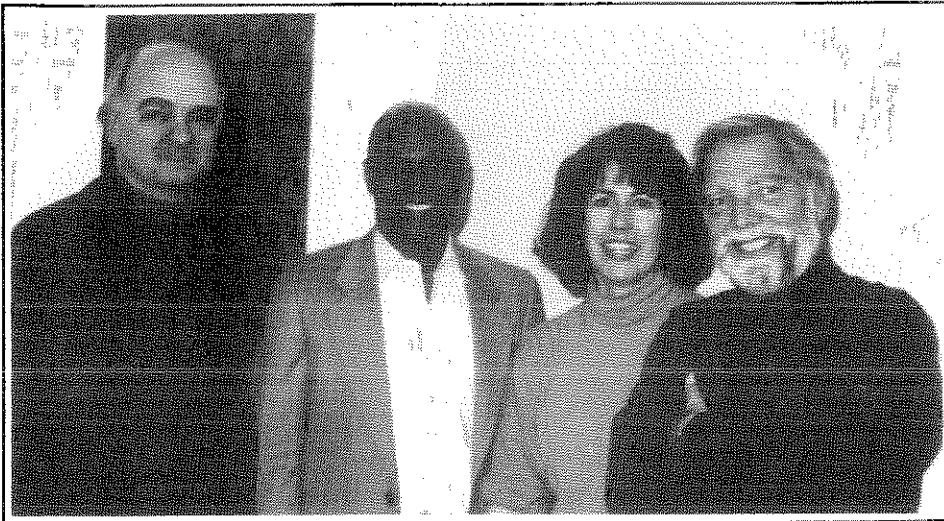


THE MERCURY

E. Robert Scrofani · Editor

THE NEWSLETTER OF THE HENRY GEORGE SCHOOL

Summer, 1991



George Collins (2nd from left), National Director with Wendell Fitzgerald, Cathe Smeland, President and Bob Scrofani, local director.

National Director Visits California

George Collins, National Director of the Henry George School visited Northern California earlier this year. He met with the Northern California Board in San Francisco and with the Sacramento branch Board at the home of former California and National President, Glenn Weeks.

George Collins observed the one day seminar at Fort Mason and attended a program arranged by the East Bay Common Ground director Bert Anderson. A reception in his honor was held at the home of Bob Scrofani.

Under his influence the NY-HGS has increased its Spanish Progress and Poverty classes. He is a strong supporter of the high school economic literacy project. He recently visited the USSR to extend their knowledge of how to collect land rent and spoke at a West Virginia conference of key opinion makers.

Director Scrofani Speaks at College Conference

Executive Director E. Robert Scrofani spoke at the first Lafayette College Conference on Henry George in Easton, Pennsylvania on June 13 and 14th. The conference "provided a scholarly examination of George's works and their influence on economics and other fields of learning." Scrofani's paper dealt with the impact of George's ideas on the early water wars in California which led to the Wright Act. His article, "The Cattle King and the School Teacher" in our last issue was a brief accounting of that story. His full paper will appear in a book to be published next year.

Supreme Court to Hear Prop 13 Challenge

Next to abortion, Proposition 13 may be the most volatile issue in California. For a while in early June it looked like the Supreme Court was finally going to review the constitutionality of the inequities implicit in Proposition 13. Macy's of California appealed a Contra Costa Assessor's decision to the Supreme Court. The Court agreed promptly to hear the appeal.

The decision threatened those homeowners who have been enjoying below market assessments since 1976. Macy's cancelled its suit after hearing from homeowners who also threatened a boycott. "We never wanted to cause homeowners to be reassessed; we only were concerned with commercial property."

Under Prop 13, Macy's was reassessed after a corporate buyout. After the restructuring, Macy's assessed value was increased from \$4.3 million to \$11.7 million.

Macy's charged Proposition 13 violated the equal protection clause of the Constitution and unduly interfered with interstate commerce. The case was turned down by California Courts but accepted only two months after it was filed by the Supreme Court.

Meanwhile a Los Angeles homeowner has filed a similar suit. It is also being appealed to the high court.

4-976



Clay and Ruth Berling at the National Conference, one of many Henry George activities they attended over the years.

Ruth Berling Dies

Ruth Berling, 60, a loving companion and wife to our longtime director Clay Berling died recently.

Her service, held at Albany United Methodist Church was attended by the staff and members of the Board of Directors. It focused heavily on land stewardship, and peace. The congregation opened with the responsive litany drawn from Chief Seattle's letter of 1854.

Ruth supported Clay's work with the school, and in many ways over the years assisted our activities.

Henry George and The Economic Debate of the 90's

by Dana Richards and E. Robert Scrofani

"For the Common Good..." an extraordinary new book by Herman Daly, a World Bank economist and John Cobb, Jr., a theologian, frames the debate about how the economy should be transformed in the coming decades. "Our intention is... a paradigm that clarifies the excellence of its past work and sets it in a larger context." They hope to bring economics back into "harmony with an economy that sustains the entire fabric of psychological, social and ecological life."

Cobb and Daly introduce a potent new concept, *misplaced concreteness*, drawn from process philosopher Alfred North Whitehead. *Misplaced concreteness* results when abstract ideas guide our actions and thought in such a way as to make us ignorant of the broader consequences of what we do.

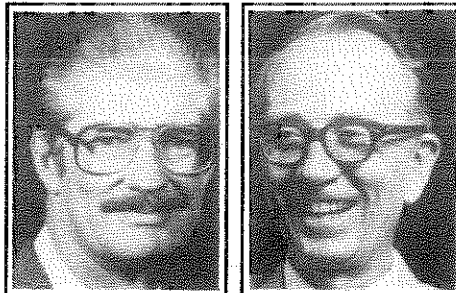
Daly and Cobb tell us that one of the most far reaching forms of *misplaced concreteness* in modern economics is the tendency to see land in terms of matter and space rather than in the more animate terms of energy and biosphere. When land is viewed as more or less dead matter, it becomes a commodity to buy and sell and to exploit for short term resource utilization.

George as an Alternative

Looking beyond Capitalism and Communism the authors seek a third alternative. Both Communism and Capitalism have produced the same

disregard for the land. They find their third alternative partially in the ideas of Henry George.

George, they say, regarded land as a community resource, not a private resource. He was keenly aware of the social and environmental ills accompanying industrial culture. Through a tax on the rent value of land, George felt land could become community property that is rented or leased to private parties.



Herman Daly & John Cobb, Jr.

Daly and Cobb are convinced that such a system would have significant and

positive consequences. "At present a vast amount of capital investment is in land. This is partly for present use of land but partly also for expectation of appreciation. This speculative element is often the dominant factor. If land were taxed at or near its full rental value, its price would be very low. Most of the cost of holding land would be the tax placed on it. Since this tax would rise as the value of the land rose, or would fall as it fell, there would be no basis for speculation in land. Land would be acquired for its use-value only, not for speculation on its increasing scarcity value."

Eliminating the speculative element "would encourage employment of land for its most profitable *sustainable* use," Daly and Cobb say.

"For the Common Good: Redirecting the Economy Toward Community, the Environment, and a Sustainable Future," by Herman Daly and John Cobb, Jr. (Beacon Press, 1989)

LETTERS TO THE EDITOR

From Victor Scheglov, Institute for Town Planning, Prosp. Vernadskogo 29, 117331 Moscow:
"I am very thankful for your friendly letter and pictures, that make me recollect our interesting meeting in New York. The conference papers proved to be very useful for my research and practical work. We aspire now to realize some of great Henry George's land taxation ideas."

From Mason Gaffney, PO Box 7998, Riverside, CA 92513:

"Your winter 1991 Newsletter on Ethics is timely: ethics is on a roll. Dr. Nick Tideman is sponsoring a conference on it at the January 1992 conference of the American Economic Assn. in New Orleans. I am giving a paper based on notes from my class. I am also proposing a course for our economics dept. at UC Riverside."

From Professor Emeritus John Kenneth Galbraith, 207 Littauer Center, Harvard University, Cambridge, MA 02138 to director Bert Anderson:

"I am afraid this is not a very useful idea. I am certainly aware of Henry George, but he was, in my view, a creature of his time. Had the public grasped the incremental value of land when it was first being settled, that is one thing; now it would be to discriminate against those who happened, wisely or unwisely, to move into real estate. I am not sure that the means you propose would have any substantial effect."

(Ed Note: See review of economist Herman Daly for another view.)

From Barbara Sobrielo, Center for Incentive Taxation, 177 Vauxhall Bridge Rd, London SW1V 1EU, England:

"I was interested to read in the winter issue about your 'Ethics in Economics' workshop. In our series of 'Facts on File,' we intended to include one on 'Ethics and Economics,' but it didn't come together as easily as others. Your article made me wonder if a better effort might not be forthcoming from your side of the water. How does the idea strike you?"



Mrs. Chandler looks at her husband, Tertius, a stalwart of the Henry George School.

Focus on HGS Activist Tertius Chandler

Like so many others fired by the ideals of Henry George, Tertius Chandler, 76 goes on writing and speaking on the key issues of the day.

He writes extensively about everything from sex to the single tax, and history. Chandler is the author of a 1670 page "half encyclopedia" containing his writings and statistics on ancient and modern cities.

Continued on page 4

Director Dionne Edits Philosophy Book

Dr. Dionne Sommers, a director of the Northern California Henry George School edited a book on the "Essence of the Spiritual Philosophy of Haridas Chaudhuri."

Published by Crucible Press, the text weaves together western and eastern thought. According to Dionne, this was a labor of love. "Chaudhuri taught that human beings are by nature spiritual and to fulfill that potential is our principal life work."

Dionne, a former education director of the school is a noted Marin County therapist. She is married to Roger Sommers, a former President of the Northern California Board.



Sacramento Branch Secretary Evelyn Friend greets Agnes George DeMille at the dedication of George's home as a national landmark in Philadelphia. De Mille's work, "Fall River Ballet" is being revived again this year.

Board Members Attends Western Economic Justice Conference

Members of the Board of Directors attended the "Challenge of the 90's: Economic Justice" a conference sponsored by a number of religious groups June 28-29th.

Members attended workshops on tax policy, trade, peace economy, affordable housing etc. Speakers included Archbishop Rembert Weakland author of the Catholic Pastoral letter on the economy.

Scrofani Named Marshall Fellow

Executive Director Bob Scrofani has been selected by the National Council for the Social Studies and the German Marshall Fund to participate in a unique cross cultural program. Scrofani who teaches at Berkeley H. S. joins 14 American and German teachers in Germany in July.

Scrofani is an Economics Fellow at Stanford University and is currently coordinating a new project on Exploring Ethics in Economics, "to bring a fresh perspective to the economic courses, now mandated in California."

The Land Tax in the USSR



California contingent at Schalkenbach's New York Conference on land taxation in the USSR. (l to r) Dr. Mason Gaffney, UC Riverside; E. Robert Scrofani, Executive Director HGS-SF; Ted Gwartney Senior Appraiser, First Nationwide Bank, former California President; Dr. Mary Cleveland. Fred Foldvary, (not shown) a doctoral candidate at George Mason University and a former President, also attended.

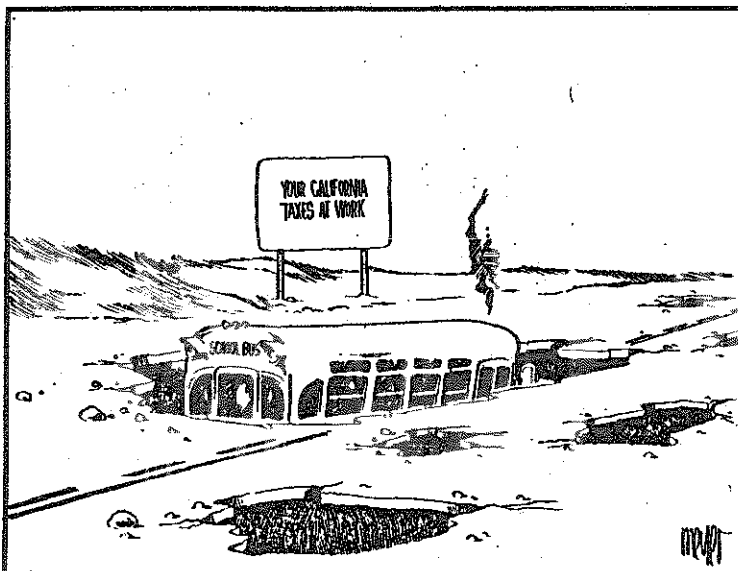
Tertius Chandler ...continued from page Three

Chandler has served on the Northern California Board of the HGS. "I'm too old to live my life over again, but I'd like to steer the next generation to a better life. I see the land-value tax as one way to do it, and it's one of the reasons I write and enjoy reading."

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Proposition 13 (See page 1)