

# QUICKSILVER

A NEWSLETTER OF THE HENRY GEORGE SCHOOL OF SAN FRANCISCO

PRIVILEGE FOR NONE, OPPORTUNITY FOR ALL  
SPRING 2001-2002

## SIFTINGS

•Lee Hachadoorian's not quite out the door, but he does have his shoes on. He and his wife, Kim, are headed back to New York State from whence they both begun some years ago. Lee's "got religion" and we're sorry to see him leave, but NYC will be the better because he's there. He's leaving on account of the hard times techies have experienced of late. "Woik jist ain't what it was," as a Bowery boy yust ta say. Happily, Lee's not through with us, and through the wonders of the publicly funded internet (it was originally developed by the military using tax dollars; hey, who said socialism doesn't work? (I know, I know, scales of economy with big projects. Even so, eat yer parsimonious, sanctimonious words, ya right-wing boobies)) he'll continue to come atcha through these pages.

•Henry George is stopping by on July 21 on board the tall ship Balclutha down at the Hyde Street Pier. Don't miss him at 11 am. Pier admission \$6. Yes, you read that correctly: Henry George himself, well, played by David Giesen, will appear for an hour and some as part of San Francisco's LaborFest. Hyde Street Pier's adjacent to Aquatic Park at the foot of Fort Mason. This program is lively, informative, and set in San Francisco in 1890, just hours before George's departure for OZ and New Zealand.

## ASSESSORS CONFRONT LVT

*an interview by David Giesen*

On March 5, 2002, candidates for City Assessor faced off in the state primary. In February, HGS-SF Director David Giesen interviewed John Farrell and Richard Hongisto, two of the candidates for Assessor, for the Frankly Georgist radio broadcast. Although neither Farrell nor Hongisto were elected, the interview contains much of interest. The excerpt presented here focuses on philosophies of taxation rather than campaign issues. The full interview may be obtained by contacting HGS-SF. —Editor

DG Now we're going to move into that portion of this program which earns this program its moniker. The Frankly Georgist Hour, named for Henry George, the 19th century San Francisco social philosopher and economist, who proposed that because land values arise because of the growth of society and not because of the mere ownership of land, that those values ought to be collected to the tune of very nearly 100% of their annual rental value...

In the past 10 years; we can speak of the past 100 years—but just considering the past 10 years, you would say that real estate values have generally gone up in San Francisco?

JF Phenomenally.

DG Phenomenally. Would you say that most of that increase in value is owing to, parcel by parcel, the improvements or a change in the valuation of the land, the locational value?

RH The locational value, in my opinion.

JF Yes, the locational value—remember, you're dealing with supply and demand... The demand has grown tremendously in San Francisco. So basically since we're limited on supply and demand and as other properties in the region outside—

DG We're not limited to the number of buildings. The only reason we're limited to a number and the construction size is because we're limited to the amount of ground space actually—

JF Exactly.

DG —that we can build upon. So if land is hoarded or if those who own land will not build at market demand for that location—in other words, a surface parking lot in downtown San Francisco does not represent market use of that location. A surface parking lot. The demand for that site would be a multiple level parking garage at least and might include housing or business opportunities, but certainly—In other words the sale price currently of land in San Francisco does not match up with the property tax assessment, given Prop 13. Is that a fair statement?

RH Yes.

DG And you say that that's generally so across the city? That is, that the great increase in property values in the past 10 years is largely in land values and not so much in the improvements which are on those locations.

JF The value is based upon the use of the property. So basically your  
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## OLD AND NEW

Times being what they are, I will be leaving San Francisco for my ancestral stomping grounds in New York City, after only two issues as editor of Quicksilver. Although I wouldn't wish unemployment on anybody, being out of work for a year has given me the time to learn more about Georgism and to get involved with HGS-SF. I would like to thank David Giesen for being an engaging and insightful teacher, and giving me the opportunity to write and edit Quicksilver. I'll be leaving an article for next issue, and will most likely be editing the next couple of issues while I look for work and Dave looks for someone to replace me.

Last issue drew a response from Georgist author Alanna Hartzok. Her Earth Rights website ([www.earthrights.net](http://www.earthrights.net)) is an indispensable Georgist resource, which I refer to often, and her articles are, in my opinion, the best short introductions to modern LVT available. We have published her far-ranging comments in this issue. We urge our readers to share their thoughts with us for possible publication.

This issue also includes an interview from Dave Giesen's Frankly Georgist Hour (mentioned in last issue). The interview, excerpted here, is with candidates for SF Assessor. In the full interview (contact us), one of the candidates even plugged HGS-SF for us!

Finally, Cliff Cobb, Director of HGS-Sacramento examines the Georgist implications of considering humans and human health to be part of Nature. What does that entail for the economics of health care?

Enjoy, and let us know!

# QUICKSILVER

A NEWSLETTER OF THE HENRY GEORGE SCHOOL OF SAN FRANCISCO

EDITOR — LEE HACHADOORIAN

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"Where previous radicals like Marx would wield the meataxe blindly against all property, George would strike surgically to tap the rent of predatory and dysfunctional property. He, George, would spare and nurture functional property. He would distinguish the drones and predators from the creators and conservers of capital. This is a hard one to deal with, especially for the drones and predators."

—Mason Gaffney, *The Corruption of Economics*, 1994

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## READER RESPONSE

It is 12 years since I left your fair (and unfair) city and my close association with those of you at the HGS in SF. Reading Quicksilver and seeing your names made me feel a bit nostalgic. You, we, are still *plugging away* with the movement, now so many years.

Thank you for the Quicksilver Winter edition. It is certainly a very beautiful design! Compliments to Lee Hachadoorian.

I felt sad upon hearing about the passing of Roger Somers. I remember the day he called and then came to visit the School. Although he had known about Georgism for a long time, it was not until around 1981 or so that he found out there was an HGS in San Francisco. During the two years I took a break from my role of Education Director after the birth of my daughter, Roger met Dionne Marx when she took over for me, and their wedding was so beautiful. They dressed in beautiful Eastern style clothes. I remember them dancing. The wedding party was so elegant, beautiful and warm. Of course, there was such tragedy in Dionne's death several years ago due to heartbreak that her only son had been killed in a car accident. Roger and Dionne were both such brilliant people that I feel honored to have known them, however fleetingly.

Reading David's piece on Malthus, I thought it was interesting how he made the connection with scarcity and *gothic* youth. Having just returned from two weeks in Senegal, Africa, where the population is exploding, I cannot help but wonder about the chicken-and-egg of economic justice and population. Surely, if they did not have so many children they could devote more time to improving economic conditions. And conversely, we do know that the higher status for women that usually comes with education and economic development results in fewer children.

I had to smile while reading the CLT piece by Lee. How little one generation knows of the previous, even in our own movement! While serving as Education Director of the HGS in SF, I also served as board member and then for two years as Board President of the Northern California Land Trust. Dale Becknell was Director during that time. So we were making all the CLT/LVT connections at that time as Lee does in his article.

Lee apparently did not know that both LVT and CLT have a direct lineage to Henry George. Robert Swann, Ralph Borsodi and Mildred Loomis all were Georgists who were the pioneers and originators of the CLT movement in the 1940s. What has happened is that there came to be somewhat of a split between the two movements, so now people in either movement knows little about the other. But there are some of us who have always seen the synergy possibilities of the two movements working closely together, as Lee now sees.

The School of Living Land Trust, founded by Borsodi and Loomis, is now over 50 years old. Based in Pennsylvania with land trusts in PA, MD and VA the School has educational seminars with invited Georgist speakers to keep the connection alive to the younger generations. And Bob Swann, a wonderful elder who worked closely with Borsodi, asked me to be one of the E.F. Schumacher Society lecturers this year (550 attended, at Amherst College) in order to bring the Georgist message up to date.

Lastly, I was pleased to read the Carl Flygt article on Henry George and Rudolf Steiner as the higher aims for society and the spiritual perspective are so important to affirm in our Georgist work. To have basic needs simply and securely and eloquently met was the vision of both, so that human consciousness could elevate to higher dimensions of expression. It is a shame that Steiner found George's legislative solutions unworkable. That perspective may have prevented Steiner's followers from working for the Georgist remedy. I

cannot say that Steiner's solution sounds any easier or clearer, as Carl described it.

I am sensing now, however, that the influence of both these great humanitarians and visionaries is being brought forward with the emerging worldwide ecovillage movement. Ecovillages are models for living sanely and in harmony with the natural world, with self-reliance in basic needs production. Ecovillage consciousness includes a kind of *meta-physics of nature* like Steiner and the economic justice emphasis of George. Ecovillages are becoming epicenters for the *new culture* and I believe will be the hubs for the *next economy* as well.

To take a leap in a new direction, I would like to see our Georgist movement move towards the investment of Georgist funds in the establishment of ecovillages (CLT models) which would promote Georgist economics in the wider society.

We have such an emerging opportunity with our African colleague Sunny Akuophoa in Mali who is envisioning a land-based Georgist teaching institute. As a small amount of US dollars goes quite far in Africa, supporting Sunny's efforts could be tremendously gratifying for our movement. My experience in Africa last month (I was asked to conduct a seminar on Democracy and Earth Rights for the African Confederation of Green Parties conference) showed me that inspiring young African leaders are quite receptive to Georgist economics.

To end, I offer a standing ovation to my friends and colleagues at the Henry George School in San Francisco for your beautiful and informative newsletter, Quicksilver.

Best wishes always,

*Alanna Hartzok*

*Vice President,  
Council of Georgist Organizations*

*United Nations NGO Representative for  
the International Union for Land Value  
Taxation and Free Trade.*

# GENETIC DISCRIMINATION

by Cliff Cobb

Henry George believed that all humans have an equal right to the fruits of nature and to value produced socially. Combining equal access to those goods with liberty, he believed, would unleash the untapped potential of people to live in harmony.

Because of the magnitude of its importance in determining economic outcomes, George focused his attention on the land question. Without equal access to the value produced by desirable locations, particularly in cities, concentrated ownership would inevitably produce a caste society. Economic slavery, he perceived, was only slightly better than chattel slavery.

Although modern Georgists continue to focus on the injustices associated with concentrated ownership of urban land, it is important to consider other applications of George's general principles. Gifts of nature are not limited to land, water, and air. Humans are also part of the natural order, and our health is, in part, a gift. What is not clear, however, is how the principle of equal access can be applied to innate healthiness. People are born with different genetic endowments. At least for the time being, genetic engineering can do nothing to alter that. (If and when that changes, that will make the distribution of natural wealth even more important. Otherwise, the privileged few will be the only ones who can avoid inherited pathologies.) Given those differences, it is impossible to create a system that provides equal health to everyone.

Egalitarian outcomes (equal health) are not at issue, however. The problem for our society, at least until genetic engineering changes conditions radically, is genetic equity. By "genetic equity," I mean the right of individuals to be treated as part of a general population in gaining access to health care and not

to be discriminated against on the basis of genetic inheritance.

As a practical matter, the violation of genetic equity occurs whenever someone is required to pay more for health insurance, or excluded it from it entirely, based on a pre-existing condition. (There is, however, a difference between discriminating on the basis of risky behavior, such as smoking, and discriminating on the basis of a family history of a particular illness.) It is understandable why insurance companies would want to differentiate on the basis of predictable risks. If they can discriminate against people with a higher probability of major illness, they can lower premiums and reap higher profits. But what makes sense to a player within a system may not make sense from the perspective of the system as a whole.

A simple way to think about the equity of the current system is to ask whether you would prefer to be born into a society that prohibited the exclusion of people with genetically-based illnesses from health coverage or a society that permitted such exclusion. If you had your life to live over again, and you knew that you might return with a hereditary illness, would you want to risk your whole life in order to pay lower insurance premiums if you happened to be healthy? Only two categories of people would logically choose a system that permitted exclusion: high-stakes gamblers and those who believe that poor health is a sign of divine punishment. The fact that we have such a system today says a lot about our public theology.

Many would argue that the only equitable solution is a system of universal health coverage, managed by the government. Perhaps that is true, but it overlooks the problem of "moral hazard," a technical term that refers to the reduction of personal

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land is tied into a use. So basically yes.

DG What I'm trying to clean up in our listener's minds is we speak of, "Oh, my house which I bought for \$200,000 three years ago is now worth \$600,000." What we're really saying is that the land value has changed by perhaps \$350,000. The house value probably in the commercial world has depreciated. Isn't that so? The physical structure is actually deteriorating. It's the land value that's increasing. Now certainly the replacement cost of that structure is going up over time and I appreciate that but the significant—you can agree or disagree—the significant portion of property values that changes is the volatile land value and not this volatile building which is suddenly getting to be even less expensive or more expensive as the market changes. Is that a fair assessment?

RH Of course, it is, except that an empty lot in downtown San Francisco isn't worth almost as much as the same lot with a 50-story building. We're not saying that either.

DG You're not?

RH No. A 50-story building certainly has considerable value because it's being leased out for a great deal of money.

DG But point of clarification; isn't that building value? Can't we isolate that from the lot on which it sits?

RH Sure.

DG So, let's say just for convenience's sake—a square block, single block in downtown San Francisco, empty. A single block in San Francisco immediately adjacent to it with a 50-story building. The two lots are actually in terms of their ground value worth the same, aren't they, even though one has a building on it? The one, the extra value is because of the 50 stories of construction.

**RH** Well, the ground value—of course to get technical—just to make a minor point, the ground value of the one without a building on it might in a sense be worth more than the ground value...of the one with the building on it because perhaps now, let's hypothetically say according to the planning code instead of— Let's say there's one lot with nothing on it and one lot with a 30-story building on it. Now, it may be that under current regulations, instead of building only 30 stories you could actually build 50. So if you wanted to have the land value of the property with 30 floors on it, because it could have been 50, 20 floors have been wasted, so to speak. And also, if you wanted to use that land value to put 50 stories on it, you'd have to tear down 30 stories which would be extremely expensive. I mean it would be kind of a hypothetical argument that the undeveloped in a funny sense could be worth more than the developed land.

**DG** Because of its potential.

**RH** Yes.

**JF** And it's all its use. Whatever that use can be for that property. So that's the bottom line and a lot of times is that land restricted? Is there a restricted use that it can only do certain things? That's going to dictate—

**DG** Only farmers are going to be in a sense in the market for that land, right? I understand. So we're going to continue on with this theory because that's what I'm interested in actually exploring with the both of you as potential assessors, is to what extent do you believe...the value of location—ground values—indeed belongs to society? In other words, it's a property rights question of...we say a man or a woman works, that labor belongs to him or her except a portion of it is taken away in the shape of a tax—and what she or he produces is that person's except a portion of it is taxed away....what portion of the value of land—if you

agree that land value arises because of the growth of community—what portion theoretically speaking belongs to society? Would you say most of it; all of it? The arbitrary amount that's fixed on it with current property taxes? Are you theoretically happy with the current assessment, keeping in mind that to the extent that we do not tax away publicly-generated land values, we are obliged as a society to tax labor and capital including the improvements on homes that we want to have more of—we want more homes and yet we tax the building materials, the labor that goes into building those homes; and we tax year by year those improvements as though somehow those improvements are a detriment to society. They're a liability to society which strikes me as being absurd.

**RH** And isn't it interesting that not oh so long ago, we didn't even have a federal tax. And perhaps if we were having discussion at that time, there would have been a clearer playing field for embarking on this kind of plan—to change the basic way in which we approach taxation.

**DG** That's right, it's been complicated...

**JF** Yes, I want to come back—I just want to state—I believe in...it's like going back to the Gold Rush where people set a claim of land. And I believe that if somebody has the rights; if somebody purchases the rights, it is their property. And it's their property alone. Everything around it in regard to easements, streets, everything that's taken care of by the city and things like that—but in regard to that property, the rights that the individual has—they've paid for those rights and they have taken over ownership through a deed by whatever party. So it is their property.

**DG** But I'm going to stay with the theoretical aspect of this because I suspect you haven't previously encountered the fullness of what I'm

presenting.

**JF** Okay.

**DG** Consider that if I own the land on which you work, I have as much lien on your labor value as though I owned your body; as though you were a slave, because you cannot as a human being go to work unless you use the earth... So that for me to buy a house is one thing; but for me to buy land is to prohibit other people from gaining access to the materials and the mere opportunity to put up a house, if you see the difference there. In other words, if I own all the earth, you can't make houses unless I let you have access to the materials, much less the place. But if I own a house, you can build your own home if you have access to the earth. There is an essential difference in nature between the earth—land as we call it in political economics—and the produce of human labor. So you can think about that as I engage in some more questions but I'm going to suggest that for me to buy land and exclusively own it is tantamount to buying a human person because what I've constrained—aggregate, I'm not saying one person's purchase of land but I'm saying aggregately—the sum total of land ownership constitutes a monopoly ownership which is analogous to the nobility of England 150 or 300 years ago. But I would suggest that that institution—although with a different name—exists just as surely as it did 400 years ago.

**JF** Well, you have to keep in mind one thing. If you had a piece of land and basically here is somebody who is making an opportunity by putting a plantation or being able to—

**DG** But the land existed before the farmhouses were put up.

**JF** Right, but a lot of people...now, how are we going to make America run? When you think going back through history. Now, the thing is, here are people who are coming up with land that they want to put to a use to benefit people; whether

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through farming—

DG But they're not the only person who wants to—

JF I agree, I agree.

DG And they didn't produce that land.

JF Correct, but the thing is, some people have the ability in order to build like an industrial place where people could come and work and a lot of people can't.

DG That's true.

JF So just by building that place in order to benefit people and to benefit civilization at all because they're producing—

DG Shouldn't we welcome the fact that this person has engaged in that activity and has that skill and the corollary to taxing away most of land values is to untax everything else; to remove the tax on labor and to remove the tax...no sales tax, no tax on lumber, no tax on any finished good or a good that's in the process of becoming a finished good. Only tax land values because it is expressly a community-generated value. Why tax any human labor at all? Why tax anybody for producing something that somebody else wants? That's merely a barrier to the expression and exchange of energy.

JF Remember this—we have to take care of our society. We have to protect it, we have to secure it; we have to make sure if there's fires people take care of it. Now, how is that going to be paid for?

DG \$11 billion dollars.

JF From where?

DG My extrapolated assessment of the land value of San Francisco per annum—the rental value is about \$11 billion dollars a year. In other words, we're collecting what, roughly \$1 billion dollars a year in ground assessments?

JF We're collecting—right. And one thing—

DG Even if it were \$7 billion; that's a very conservative figure—that \$7 billion dollars would match the current expenditures of the city and the school district but I suggest that the figure is closer to \$11 ...you may know more fully but with Prop 13 of course we're so skewed up. We don't really have—and it's not your doing or anyone who is in the Assessor's office responsibility for the State of California having what essentially is not a property tax. It's one that's so skewed that it's impossible to ascertain what values are. Places that haven't been assessed in 20 years...

JF Right and that's one thing that's important for the listeners. The assessed value of the city and county of San Francisco is \$88 billion dollars. That's not the fair market value of the city. A lot of people say, well, what is the city really worth? Now right now, we can guesstimate what the city is worth. Now, prior to Prop 13 which basically came into effect in 1978 and rolled back the values to 1975—prior to that, the values were being set on property tax—well, how much do we need to take care of our government, police, fire? And whatever amount that would be would be assessed to the property tax. Now when you look at what's going on, we don't know what the fair market value of San Francisco is. It's at least three, four, maybe even fivefold or more than what the value is on the roll. That's what I want to make clear.

DG Please. Let's take that \$88 billion current assessment—as skewed as it is—probably 60% of that is land values. Is that a fair statement? In New York City, it's running at 64% right now.

JF You would ballpark—that's pretty fair—

DG I'll say 50%; I'll even go 50/50.

JF Ballpark, that's fine.

RH I think 60 would be right.

DG So let's say \$44 billion with the current assessments is land values. And I suggest that the rental value of San Francisco based on that would be 4.4. Let's multiply that times 3 or 4. You suggested it might be worth more than that, but conservatively we're talking about \$8 billion dollars in annual rental of San Francisco—except for \$1 billion which is being collected, right, in land values?

JF \$1 billion.

DG Or total assessments?

JF Well, it's an \$88 billion dollar roll and what happens is, there's a tax assessed against it of 1.125 right now or 1.12. So we bring in approximately \$1 billion in property tax revenue to the city annually.

DG So less than \$500 million probably—or something around \$500 million is the assessment on land values—distinguishing between improvements and the land values.

JF Ballpark, yes.

DG So conservatively we're under—from a Georgist point of view—we're taking conservatively \$4 billion dollars less in income for revenue to the city than we would under a Georgist tax which would tax only the current land values with everything else remaining the same; all the assessments remain—there would be some adjustments which we might touch upon later. That's a transfer of \$4 billion dollars into landlord's hands; they didn't earn it—it's a value that arose because of the growth of community. That's \$4 billion in value that has to be levied upon labor and capital. That's the immediate consequence of not taxing away land values. And talk about a property right—if a person buys something, what is a person's body and mind worth? That's what's being levied right now. That in my mind—your labor belongs to you before the land belongs to you—that's a gift of nature, God, what have you. And

again, has a value arising because of the growth of community. But you're suggesting—what, 2, 3, maybe even 4 times out of whack possibly.

**JF** It's a possibility. Anyway—

**DG** It's certainly out of whack, the assessment of San Francisco. So I suggest we're talking about \$12 billion dollars here in annual value that's going into landlord's hands, either actually or putatively meaning that they're enjoying as much as not having to pay that rent because they own that location; and therefore on their ledger it looks like perhaps they are a going concern when indeed their margin of profit as they will call it is actually rent—ground rent. It's the rent they're not paying or that they're actually taking in. So two businesses side by side—one failing because he's having to rent the land that his neighbor perhaps owns—and we're not even talking about a level playing field. Imagine San Francisco without a business tax and not needing one. Imagine San Francisco without a sales tax not needing one. Imagine San Francisco with no payroll taxes. I know that's not a purview of the city of San Francisco but just imagine what a draw for business the city of San Francisco would be...

**RH** I think first that the least that could be said is that these kinds of discussions are valuable in that they open the public mind and public debate to considering alternative, fundamentally different ways of approaching the issue of taxation and that is good. That is good.

**DG** It seems to me—I'm not going to go on long—but I think this might spark some more conversation—without this sort of a discussion I fear that your office and certainly the Mayor's office and the Supervisors are forever going to be assailed by adverse interests; those who want to see downtown paying more

and believe that buildings should be taxed more and business should be taxed more and we have those who we'll call the progressive left saying all these corporate interests are bad.

**RH** Yes.

**DG** And on the other side we have the corporate interests saying we're just trying to make our, pay our way. And doesn't this sort of a discussion try to reconcile those two? It recognizes that those who are engaging in industry, business, putting up buildings, ought not to be taxed; they're contributing to the society; while on the other hand it's not cutting off revenue for social services and programs. It's providing more in the way of revenue than is currently raised without putting any burden at all on labor at all. If you care to respond to that. I mean what you said is certainly on target.

**RH** I think another aspect of it is that this is a simpler way to approach taxation—as you mentioned already, what we have done in our society and particularly post-Prop 13, in an effort to find new ways to generate revenue, we've multiplied the ways we extract money from the population. First we had the federal income tax; then we got the state income tax and we got property tax and we got sales tax. And now we're into—after the 70's—well, municipal agencies should be self-supporting so we'll raise all the permit fees and license fees and just since I've been in San Francisco as an adult watching the fees come and go, we see all these fees proliferate and go up and up and up and the bureau of the building inspectors, for example, starting to charge large fees where they used to charge almost nothing. And just last year, the Board of Supervisors saw fit to double most of the parking fines, traffic citations of various and sundry sorts.

So that now, forgetting to put a quarter in your meter will cost you \$50 instead of \$25. Gilbert & Sullivan had that saying, the pun-

ishment should fit the crime. The punishment should fit the crime. I was thinking one day, just after they changed the law—I was in a rush, I ran in someplace; I just forgot to put a quarter in the meter. I came out, I had a \$50 ticket and I just said, you know—pardon me, I have a graduate degree in criminology from Berkeley and so many times we discussed the punishment should fit the crime. Well, first place, it's never even supposed to be a be a crime to park your car. And parking meters came along because store owners complained that people would park their car there and not move them all day. So the first thought in parking meters was we'll put them to make people move their cars so they can be given a ticket. So it wasn't really a revenue-generating device or wasn't intended that way but then after Prop 13, Dianne Feinstein was Mayor and right away she sat down and said how are we going to squeeze more money out of everybody?

So then they started taking street sweeping as a money generator and parking tickets as a money generator. So then they started hiring more and more meter maids; not to do a better job of keeping people moving their cars or anything like that. It just became a scheme—well, every parking person, every traffic control officer makes so much money for the city every day. Well, fine, let's hire 30 more; let's hire 50 more. Let's hire 100 more so we can get more money out of everybody. So this has led to an evolution in our society where in cities like San Francisco, to some degree many people feel like they're being picked at by the beaks of a thousand birds. You turn around, you're paying sales tax, you buy gasoline for your car, it's taxed; you go buy a toothbrush, it's taxed—and everything is getting taxed, the tickets and the street sweeping and the licenses and the permits and the fees and the beauty of the Georgist

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school is in a sense it seeks to say let's eliminate all this. Let's get all of this out of our hair. Let's have one simple tax. And wouldn't it be nice — get rid of the federal income tax or at least simplify it. There are times — I have friends that are CPAs and every time they change the law they come to me laughing and cackling — "This is the CPA full employment act of 1998 or '99." Every year they're cackling and laughing every time they make the federal tax more complex. So I think it's a very good discussion that we're having and to say for ourselves we should all be interested in having a simpler way to handle funding the costs of government. It should be done simply just so that we don't have to create a legion of CPAs charging us all \$100 an hour just to do our taxes.

DG John.

JF Yes, I just get a kick out of it because it seems like when times are good like they were several years ago, nobody cared where the revenues went. Nobody was asking the question — "Mr. Mayor, you're hiring 4000 people." Nobody asked "What revenues are coming in

because of those people?" "What quality of service?" Nobody asked it. It's only when we get in a crisis mode, and this is the sad thing. If we had vision, if we had plans, we could have brought in and saved a lot more of that revenue in order to take care — We could lose Hetch Hetchy. This is absurd. We had the most flush money over the last several years to take care of our infrastructure, to plan for our city. We found out we were double-taxing businesses with the Chevron case which we lost... We gotta look at how we're looking at business. Business makes this city run in regard to bringing — we gotta be business-friendly... If our government leaders had more vision, we wouldn't be in the situation we are in right now and it's kind of frustrating.

I wish we can start looking at where do we want to be in 10 years right now instead of what are we going to do now, now that the city is running out of money and we're in crisis mode; what are we going to do? And I'll guarantee you this — running for the Assessor, I will make sure that all assessments are fairly made; that they are bringing in the revenues in order that somebody won't look at the Assessor saying they're not bringing in the revenues. Q

## GENETIC DISCRIMINATION

*continued from page 4*

responsibility that occurs under any system of insurance. People who go to the doctor every time they have a cold "because it's free" are a prime example of that. So, it is important for any health care finance system to preserve incentives for individuals to solve minor problems on their own.

Whatever form the details of a health care system might take, it is important to determine the principles on which it should be based. For reasons explained above, the Georgist principle of equity does not entail equal access to a healthy life. Nature does not permit that. Instead, the Georgist position should be to conceive of risk as a natural liability and to recommend that we all share equally in it, just as we should be allowed to share equally in the assets that nature provides. No one should be excluded from an insurance pool based on natural inheritance, just as no one should be excluded from value produced by nature. Since insurance carriers and the genetically well endowed will pursue their own interests in the market, it is important for government to intervene to serve a social good. Q

*Cliff Cobb is Director of HGS-Sacramento.*

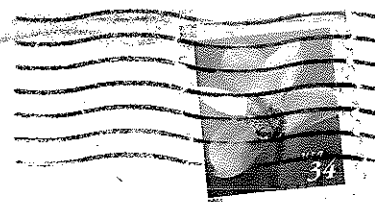
### PROGRAMS

**Georgist Walking Tour —**  
San Francisco history and land economics. Leaves from 312 Mason St. (American Youth Hostel)  
Mondays at 6 pm.  
Call 415.452.8860 to confirm.

**Georgist Film Night — *The Two Jakes*** (1990, dir. Jack Nicholson, starring Nicholson, Harvey Keitel, Meg Tilly, Madeleine Stowe) Land developers succeed water-shysters in this *Chinatown* sequel. Saturday evening, June 8. 55 New Montgomery, Rm 224.

**Henry George portrayal on July 21!** See Siftings for details.

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