

A History of the
Henry George Foundation
of America

From Its Founding in 1926 Until 1998

by Steven B. Cord

In 1926, some followers of Henry George gathered in the offices of a prominent Pittsburgh lawyer, William Schoyer, and founded a new organization, the Henry George Foundation of America. The first task of this organization was to buy the birthplace of Henry George (1839-1897) at 417 S. 10th Street in downtown Philadelphia; it was owned by a dentist and had become a rooming house for transients.

It was also planned to send forth across America dozens of single-tax salesmen to convert the United States to the Single Tax. Prosperity & Rationality loomed on the achievable horizon for the founders.

The purchase of the HG birthplace for \$7,200 was accomplished in the following year. The hordes of single-tax salesmen never materialized, although the new organization did sponsor the speaking tours of such single-tax stalwarts as John Monroe, William Z. White, Charles Duncan, Wm. Motley, Sidney Evans, Harry Gunnison Brown Wylie Young, and others.

Unfortunately, none of them knew the actual formulas for getting the Single Tax implemented, so they spoke mainly in vain. But they were able speakers and philosophers.

The new HGFA did sponsor frequent national Georgist conventions, but World War II interrupted that effort; the Henry George School resumed these national conventions. Now the Council of Georgist Organizations has taken on that task.

In 1957, the Henry George School bought the HG Birthplace from the Henry George Foundation for the same \$7,200 and converted it into a museum and school. By 1957, the Birthplace was located in an expensive part of town and there had also been considerable inflation, 1927-1957. Just the land was worth at least \$200,000. The \$7,200 offered by the School rankled Percy Williams, but the School claimed that Georgists shouldn't engage in land speculation and so it took the building.

A word here about Percy Williams: he was the full-time Secretary (rather ill-paid) and guiding force of the HGFA from its founding in 1926 to 1977 when he died. He was the last Chief Assessor of Pittsburgh; the assessment function was transferred to the county in 1939. Afterwards, he was an official paid Assessment Adviser for the city of Pittsburgh until the early 1970s.

Williams saw as his main function the defense of Pittsburgh's two-rate Graded Tax. By 1945, a nationwide horde of single-tax salesmen was now nothing more than a dream.

In 1962, I moved to the Pittsburgh vicinity to become an associate professor of history and economics (later full professor) at nearby Indiana State College (later University); initially, I was a member of the Social Science Department, soon of the History Department. I taught some economics at first but mostly American history; later, I taught mostly economics.

I remember my first encounter with Percy Williams. He was a gentleman of the old school, complete with pince-nez glasses and ramrod posture, always formally dressed. He was a 100% Georgist. In the fall of 1962, there was a national HGFA

conference in Pittsburgh (the organization ran occasional HGFA conferences in those years) and I met him for the first time.

In the '60's there was a mild revival of interest in Henry George (most of the city officials in Pennsylvania faintly knew about him). I soon prevailed upon Williams to popularize the two-rate Pittsburgh Idea in all the cities in Pennsylvania. We developed a lead in Corry, Pa. (near Erie in the northwestern part of the state) and Percy and I went up there to give a speech to the Chamber of Commerce. He asked me to speak. I aroused the audience's interest, and then they asked me how to do it.

"No problem," I replied and proceeded to try to tell them how Pittsburgh did it – but I soon encountered great difficulty in doing that! (the Pittsburgh approach was much more complicated than what we eventually proposed). Fortunately, Percy saved the day by explaining to them a newer and simpler approach (which he had never told me about). It was the current two-rate approach, but he never knew the formula for implementing it.

However, despite all our efforts, we never did win Corry to the two-rate fold. On the way back to Pittsburgh by car, Percy explained the new approach to me, but he didn't give me the formula for actually implementing it.¹ In any case, Percy always had his heart in defending the Pittsburgh Graded Tax Plan.

In January 1974, I happened to be in Harrisburg and by chance found out that the city had just adopted a two-rate property tax! – 23 mills on land assessments coupled with 17 mills on building assessments instead of 19 mills on both. Walter Giesy, a former secretary to Governor David Lawrence of Pennsylvania who was a dedicated single taxer (but more dedicated to the Democratic Party) had advised the mayor of Harrisburg to go two-rate, unbeknownst to Percy and me.

Since then, particularly under the longtime leadership of Mayor Stephen Reed, Harrisburg expanded those two rates.

During the 1960's and 1970's, Percy held a weekly luncheon meeting in the cafeteria of Kaufman's department store. I attended; generally, there were three or four people in attendance.

In 1978, the city of Pittsburgh was experiencing one of its periodic revenue shortfalls. The mayor proposed a hike in the wage tax, but the city council finance chairman, William Coyne (later congressman), was much opposed to that. He emotionally identified with the average workingman and didn't like the wage tax.

Percy's *alter ego*, John Weaver, interested Coyne in expanding the two-rate property tax instead; a recently passed state law rather unintentionally allowed this. John asked me to accompany him to a meeting with Coyne in Coyne's office (an offer which I accepted) and then he promptly snoozed off, which worked out fine because then Coyne and I could hammer out the details of a two-rate law that much expanded the land tax rate from what they had.

In subsequent years, Pittsburgh further expanded the two-rate property tax, and each time the issuance of building permits increased (I measured those). It is very necessary for us to do such building-permit studies to show that the two-rate property tax actually works. Otherwise, all we got is logical but insufficiently impressive theory.

¹I was later able to devise this basic and very necessary formula based on this simpler approach: proposed land tax rate = the proposed building tax rate minus the current land tax rate, x building assessments/land assessments, + current land tax rate. Without this simple formula, the Single Tax cannot be initiated.

Finally, we seemed to be making progress, but full political victory still eluded us.

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I have always been a Percy Williams fan, but my prime allegiance has always been to the Single Tax and its implementation-for-today, the Two-Rate Property Tax. Despite my respect for Percy, I felt that the HGFA was not doing enough for the Single Tax. So I participated with Jack Tetley of New Jersey and others in an effort to unseat Percy. The effort failed (Percy always came to the annual meeting with a sheaf of votable proxies from directors who never attended annual meetings).

But in 1976, at a national Georgist conference in Wisconsin, I was elected president of HGFA (in my absence) primarily as the result of the efforts of William Newcomb of Melbourne, Florida and Jack Tetley of New Jersey. However, I could effect no change in the operations of the Foundation. I continued at my full-time job as professor at Indiana University of Pennsylvania. It provided an adequate income and was reasonably satisfying intellectually.

Percy died in 1977 and I became the active (unpaid) head of the organization. The Foundation had \$68,000 in the bank, not enough to accomplish the two-rating of the nation, or any nation. Where did even that modest amount of money come from? Well, there was a \$40,000 bequest of Charles Eckert of Beaver Falls, Pa., one-time Congressman. Stephen Cronan gave another substantial bequest, and there were others (keep in mind that there has been much inflation since that time).

The Foundation kept much old (and unusable) furniture in storage, paying a rather substantial fee. Well, I soon ended that, but being part-time, I could accomplish little else, though I did continue as editor of *Equal Rights* and *Incentive Taxation* (about which more soon). With the help of Floyd Morrow, I was able to completely finance these publications.

Then in 1980, we experienced four big two-rate victories – in Pittsburgh, Scranton, McKeesport, and Harrisburg. They either expanded their two-rate property tax or adopted new two rates. We thought we were on our way to single-taxing the nation, to bathing it in continuous prosperity and rationality. But alas, it was not to be. We continued slogging away with the usual intellectual success but minuscule political success.

The next two-rate victory occurred in 1983 (Pittsburgh) and in 1985 (Washington, Pa.).

Let us look now at the two publications published by HGFA - *Equal Rights* and *Incentive Taxation*.

Equal Rights was founded in 1969 and was meant to be the official organ of the membership of HGFA. It printed their letters and articles. The members of HGFA mainly constituted its readership. It was a 4-page newsletter and came out four times a year.

In 1974, HGFA began publishing *Tax-Free New Towns*, but immediately upon publication the new town movement collapsed, a victim of the short but sharp 1974-75 recession. HGFA thereupon renamed the publication *Incentive Taxation* and changed its orientation; it attempted to bring Georgist research to scholars and public officials in existing cities, particularly in Pennsylvania. I was the editor until 2004.

Each issue of *Incentive Taxation* recounted the successes of land value taxation, at first mostly in Australia where the great Georgist researcher Allan Hutchinson unearthed literally hundreds of empirical successes of land value taxation as actually practiced in his country; eventually HGFA was able to add its own empirical successes in Pennsylvania. I was the editor (8 issues a year for 40 years). The circulation was about 4,000 (mostly unpaid).

Why have there been two-rate victories only in Pennsylvania? First, Barney McGinnis, a long-time HGFA trustee and member of the state legislature, got a two-rate law passed in 1952 (up-dated in 1959) just before he retired, though nothing was done until HGFA got Pittsburgh to do it in 1978.

I was then able to get 25 localities to adopt two-rate (two rescinded – in one I proposed too fast a change, and in the other, personal politics reared its ugly head).

Second, it could be that Pennsylvania is more attuned to land value taxation than are most states; Henry George was born there, also Pittsburgh and Scranton went two-rate in 1915, accustoming public officials to the idea of taxing land at a higher property-tax rate than buildings.

Not unimportant: no other organization knows how to do two-rate, so they can only philosophize.

No history of HGFA can be complete without mention of its companion organization, the Center for the Study of Economics. It was founded in 1980 as a 501c3 organization (HGFA is 501c4) and can engage only in research and its dissemination; it cannot engage in politics. Jacob Himmelstein successfully made the application to the IRS for CSE (after we futilely had spent \$1200 to a prominent Pittsburgh law firm, to no avail whatsoever).

For many years, CSE received support from the Schalkenbach Foundation and Henry George School; many thanks are due them. CSE is housed with HGFA at the Henry George Birthplace and share the same personnel.

From 1977 to 1985, I was the part-time president of HGFA and CSE. Starting in 1986, I retired from teaching and moved down to Columbia, Md. (my wife had found employment there). I became full-time president of both HGFA and CSE, as well as Common Ground - USA.

Much more must be said about this latter organization. Marion Sapiro of California wired HGFA/CSE \$100,000, to be spent on the three organizations (she later said that she wrote on the \$100,000 check, *in trust for Common Ground*. She never did that – she wired us the money. I have documentary proof from the Pittsburgh National Bank of that. In fact, if she had done what she said, the courts would put her in jail because Common Ground had a 501c4 designation, not 501c3.

Common Ground had a loosely affiliated membership of 30 to 50 long-time Georgists, sprinkled across America. Mrs. Sapiro envisioned that they would establish separate CG membership chapters where they lived and would recruit others in their hometowns to then exert pressure on their local politicians to initiate the taxation of land values.

It had not happened in 1985 when she wired HGFA/CSE the money, nor has it ever happened since. It's an impossible dream, if only because these Georgists have no idea how to get LVT actually implemented. At first, I tried to implement this vision, but got absolutely nowhere, largely because the CG members I contacted had no interest in either being political activists or knowing how to introduce the taxation of land values.

This left me in a quandary. It seemed a complete waste of Georgist money to attempt an unrealizable plan, so I maintained a separate existence for Common Ground but used the \$100,000 to politically implement land value taxation, which I did.

On January 2, 1994, The Common Ground Executive Committee passed the following resolution (printed in the Official Minutes in all caps):

“AL KATZENBERGER MOVED TO LEAVE THE ENTIRE \$100,000 WITH STEVE CORD’S CSE ORGANIZATION, WITH CG-USA’S CLAIM ON THE FUNDS WAIVED AS CG-USA’S INVESTMENT IN THE RUSSIAN MOVEMENT, ESTONIA, ETC. JOE CASEY SECONDED. ALL AYE. (a copy of the document is in my possession).

That should have ended the dispute, but it did not. Marion Sapiro persisted and threatened to sue CSE.

Re Russia, Estonia, etc.: Steven Cord had visited these countries, but eventually to no avail. But Marion Sapiro thought more highly of those unsuccessful efforts than the successful efforts in Pennsylvania.

As president of Common Ground, I tried my best to encourage effective activism by its members. Among other CG activities, I edited its newspaper, *Groundswell* (edited now by Nadine Stoner).

All went well enough for many years, but in 1994, MS angrily asserted that I had torpedoed her vision and she wanted her \$100,000 back (in a hotel room confrontation, she struck me with a sweater – I retaliated in kind; neither of us were hurt in the slightest although an unfounded rumor was spread to the contrary).

In a memo dated 11/29/94 (in my possession) Stanley Rubenstein, then the president of the Henry George School, said that Stanley Sapiro, Marion’s husband and a constant suer lawyer, had rejected Rubenstein’s offer of compulsory arbitration (by a panel of Georgist leaders). I had acceded to Rubenstein’s request for Georgist arbitration.

A few years later, she angrily resigned from the HGFA/CSE/CG Board and threatened to sue CSE in court. This cowed CSE Board members, but the dispute subsided when Steven Cord voluntarily resigned as president (though not from the Board) effective in June 1998, and went on to other ventures.

Actually, the whole imbroglio worked out quite well. I was free to write a book entitled *Society at the Crossroads* proving the truth of the equal-rights moral standard and thoroughly debunking the reigning doctrine of moral relativism. It took me two years to write. Afterwards, I wrote another book entitled *The Golden Key to Continuous Prosperity* (about land value taxation, of course). These two books are the best books never read.

At this point, we should take cognizance of the important financial donations of two women – Mary Davis and Nathalie Munk. Also of prime financial importance were sizable financial grants from the Henry George School and the Robert Schalkenbach Foundation. There were others. They all kept HGFA/CSE alive and able to score the only political victories in America that the Georgist Movement can take credit for.

By the time I left HGFA/CSE in 1998, I had racked up 25 two-rate cities in Pennsylvania, plus 50-60 successful expansions (after awhile, I lost exact count), increasing the property tax on land assessments and, of course, decreasing the property tax on building assessments.

Considering that these are the **only** land-value-tax victories in the U.S., that's a satisfactory record, but I did fail to do more, and in other states.

I was not able to get other Georgists to learn how to get some LVT actually enacted into law. I gave four talks at national Georgist conferences about how to actually implement, but to absolutely no avail. There was absolutely no interest shown. I don't know why. I guess the Georgists are into philosophy, not political activism.

After all, either we start taxing land values and stop taxing production, or economic disaster will engulf our society in the form of depression, runaway inflation, socialism (but it won't be called that) and dictatorship (it'll be called a people's democracy). Either we start taxing land values and stop taxing production, or economic disaster will engulf our society in the form of depression, runaway inflation, socialism (but it won't be called that) and dictatorship (it'll be called a people's democracy).

Or maybe it will be religious terrorism (against which moral relativism is a weak reed indeed).

HGFA/CSE has garnered the only LVT political victories in America as of this writing (5/08). The other Georgists simply don't know how to do it, and show no inclination to learn how to do it. The 1997 national Georgist conference gave me a plaque in recognition of my work; there were glowing accolades, followed by absolutely no accomplishments at all (even a studied coolness; I don't know why).

In June 1998, Joshua Vincent became the new Executive Director of HGFA/CSE, the third since 1926. He had been my Executive Assistant since 1994 and had learned the simple arithmetic and political efforts needed to win LVT victories. He is a consummate salesman. Joan Sage is also important. As of this writing, I am still on the Board.

Personally, I keep futilely trying full-time, although ostensibly retired, to get some land value taxation adopted somewhere in America. I shall persist.

In 2000, we had a two-rate rescission in Pittsburgh because of a badly botched *county-wide* re-assessment, but it actually turned out quite well for us since a research study we did showed that building-permit issuance *fell off* 19.57% (inflation-adjusted) in the 3 yrs. after rescission as compared to the 3 yrs. before even though nationwide building-permit issuance *increased* during the same period of time – a clear victory for Truth and Justice.

If HGFA/CSE should ever abandon two-rate, we're all lost, lost. So far, it is the only approach that has won LVT adoptions in America.

It should be prominently mentioned that Josh Vincent has won three new victories, all in Pennsylvania, during his time in office.

In 2001, Josh moved the HGFA/CSE offices from Columbia, Md. to Philadelphia (the Henry George Birthplace, 410 S. 10th St.).

Let us hope that HGFA/CSE will continue to adhere to the doctrine of Henry George and not fall victim to some passing fancy.

Anyone can request an easy-to-read 6-page report containing brief summaries of 23 empirical studies of the actual application of land value taxation, or another report containing 233 studies (free, no

obligation, email preferred). More such studies are available. Also available is a document containing how to levy a land value tax, and a report listing 107 ways to actually implement a land value tax.

Also: a document briefly quoting 8 recent American winners of the Nobel Prize in economics (they liked the land value tax, so why didn't they do it? Primarily because they didn't know how.

As of this writing, no Georgist progress seems possible without these documents.

These are the 21 localities in Pennsylvania won to the Two-Rate Property Tax by the efforts of HGFA/CSE, 1977-1998: Pittsburgh, Coatesville, Connellsville, Uniontown, Hazelton, Lock Haven, Harrisburg, Allentown, Titusville, Duquesne, Clairton, McKeesport, DuBois, Pittsburgh Improvement District, Aliquippa, Aliquippa School District, Washington, New Castle, Ebensburg, Scranton, Oil City.

Uniontown rescinded its two-rate law after one year of operation (a too-fast shift was suggested); Hazelton also rescinded its two-rate law after one year of operation (reason: local politics). Pittsburgh and Coatesville rescinded their two-rate laws, but after 1998.