

# Henry George News

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## 1995 CGO Conference in Chicago: Continuing the (Evolving) Revolution

The 15th Conference of the Council of Georgist Organizations, hosted by the Chicago Henry George School, was held at the Holiday Inn in Evanston, Illinois from June 29th to July 4th.

The chosen theme, "Continuing the Revolution" occasioned some pre-conference puzzling. But as the conference progressed — especially as Dr. Jack Schwartzman gave the keynote address on Friday afternoon — the meaning became clear: what is to be continued is the democratic, egalitarian progression of the Physiocrats, Paine, Jefferson and George — on down to those working for a just and prosperous economic order today. Dr. Schwartzman's talk, "From Thomas Paine to Henry George," summarized his forthcoming book on the many forerunners of Henry George, both celebrated and unknown.



*Fannie DeNoto and Jack Schwartzman*

Our movement may toil through periods of obscurity, but our ideals are in the main stream of civilization's finest, stubbornest truths.

There was considerable discussion and debate, both at this conference and during the months

of planning, over the goals of Georgist conferences in general. Some questioned the need for annual meetings — which get more and more expensive — that only serve the internal needs of our movement. Others felt that recent conferences had abandoned, more or less, the tried-and-true format of a Georgist conference, in favor of outward-directed attempts to court academic or media attention. Many called for more affordable conferences. At an impromptu meeting, called by CGO Vice President Mark Sullivan, colleagues from across the continent considered how best to fulfill the goals of our annual conference. Again and again it was brought out how important annual conferences are to those of us who labor in (relative) obscurity for a vitally important cause. Efforts to make our conferences into media events in their own right have been unavailing. Many Georgists cited similar reasons for attending conferences: to "recharge the batteries," renew old friendships, hear of the year's progress, exchange news of research and innovation. By the



*Scott and Sue Walton*

4th of July, the general opinion was that the 1995 conference succeeded admirably at those basic goals — and scored some modest, but substantial, outreach points as well.

The four main days of the conference were divided by theme. Friday, June 30th dealt with "The Philosophy of Freedom" and the day's sessions were chaired by CGO President Dr. Drew Harris. On Saturday June 1st, "Education for a Free Society" (continued on page three)

## Continuing the (Evolving) Revolution *(continued from front page)*

was spotlighted, chaired by Chicago HGS Director Sam Venturella. Sunday the 2nd was our day to get acquainted with our host city, dubbed "Chicago Style." Monday the 3rd was devoted to "New Ideas and Methods" presided over by HGS-Chicago Board and Faculty member Chuck Metalitz.

### The Philosophy of Freedom

After a hearty welcome from Evanston Mayor Lorraine Morton, who seemed much impressed with the social justice focus of our agenda, the conference got down to business with an address by Prof. Nicolaus Tideman on "The Ethics of Geo-Economics." Prof. Tideman believes that it is important to begin the formation of an ethical system based on the tenets of self-ownership (thus the unrestricted private ownership of the products of labor), and common property in the gifts of nature. They are the ground for such rights as privacy, free speech and free association, as well as the community's right to safeguard the environment. In Tideman's view, they also have some slightly more controversial implications, such as society's right to "use market incentives directly to control population." Parents could be compelled to pay for the right to have children "because those children crowd people out." This proposition was hotly rebutted by many conferees, citing the synergistic potential of growing population, as well as the tremendous disparity in the amount of "crowding out" caused by poor children, compared to wealthy ones.

Prof. Tideman stressed, however, that the ethical principles he was developing depended on the adoption of the basic Geo-nomic principle of common property in land, and thus may seem inapplicable to current reality. In this vein, he concluded his talk by asking, "Among what group should the rent of land be shared?" and answering, "The whole world." Anything less would violate our common right to the gifts of nature.

HGS President Ed Dodson hosted a panel on "The Democratic Imperative." Rather than merely deliver a paper, Dodson made his views available (via electronic mail) in advance, and then engaged in a

panel discussion with respondents from other organizations. Declaring that his paper could not do more than introduce the variety of issues that are vital to the creation of "the just society," Ed invited all to participate in that task.

A remarkably diverse panel was on hand to take up Ed Dodson's challenge. Discussants included Don Torgeson, Director of United We Stand-Illinois, Joe Bast, President of the Heartland Institute, John Kelly, an Investment banker from Peoria, Illinois, and Eric Sandheusen, the midwest representative for the World



*Matt and Drew Harris*

Federalist Organization. Even if few minds were changed in the discussion, all became aware of corresponding concerns and shared frames-of-reference. The panel served as an introduction between groups for whom democratic reform is a paramount concern.

Friday afternoon's panel focused on research efforts. Prof. Nic Tideman, who has been creating a list of research objectives for Georgists, discussed the progress that has been made and the immediate need for more work in this area.

Dr. Michael Hudson followed with a lavishly illustrated presentation of the statistical work he has done in the last year as Director of Research for the Henry George School. Working with the National Income Statistics, Dr. Hudson showed the various ways in which land rent is disguised, and made to appear a much smaller part of national income than it really is. His research shows that the majority of rental income from real estate is consumed by mortgage interest, generating very little active income for investors. Why are



*Sam Venturella*

they willing to invest in it? It can only be for capital gains, which are disproportionately (if not completely) due to land-value appreciation. According to Hudson, real estate owners use highly generous capital depreciation rules to hide their land value gains. This feature allows them to drastically reduce their tax liability and increase their net "capital" gain.

Although one of the goals of his research was to estimate the aggregate land rent in the U.S. economy, Hudson reported that the data needed to do that could not be found in the statistics that are currently available; it would have to be imputed, using relevant pieces of the available data to create



*John Fisher and Jeff Smith  
at the ECTV studio*

a model. Also absent from his figures are data on other forms of land monopoly, such as mineral holdings and various forms of air and broadcast rights, all of which would be necessary, Hudson cautioned, to form an accurate estimate of

the share of rent in today's economy. Hudson reiterated both the importance and the difficulty of his task. Those who collect and publish economic statistics simply do not use the definitions and the categories that are so vital to Georgists. If we are to make sense of the available data, he argued, then we must find the means to translate it into terms that illustrate, rather than obfuscate, the true distribution of wealth.

Finally Dr. Polly Cleveland, economist and Robert Schalkenbach Foundation Board Member, called for a return to the once-standard movement practice of creating land-value maps, to display the effect of real-estate machinations on the overall economy, and to provide a database for many research needs. This vital work, she pointed out, could be done with a very modest investment in equipment, and could make use of the data-gathering input of volunteers, such as HGS graduates.

### Education for a Free Society

Methods of Georgist education, from the traditional to the cutting-edge, were the focus of Saturday's sessions. In the morning, HGS Executive Director George Collins chaired a panel on which representatives of the various Henry George Schools detailed a wide range of educational strategies. George Collins reported on the extensive adult-education program at the NY-HGS, and offered course materials developed there to all who wished to use them. Two other panelists were from New York: Michael Hudson discussed ways to upgrade the school's curriculum with specific research information. Lindy Davies outlined ways to use the internet to broaden our educational offerings, both as a publishing medium and as an interactive educational tool.

Although the adult-education approach is successful in *(continued on page six)*

## 1995 CGO Conference in Chicago

New York; other schools have not been as fortunate, for various reasons, and have turned to alternative approaches. The Chicago HGS, under the direction of Sam Venturella, holds classes in its storefront headquarters — but supplements its work by producing and video offerings for public-access cable TV. In Philadelphia, Mike Curtis has supplemented his course offerings at the Henry George birthplace by taking his show on the road, offering classes in churches and community centers, including a popular program at the Wharton Centre in one of the most blighted areas of North Philly. In Los Angeles, Harry Pollard and Bret Barker have achieved considerable success with their *Interstudent* high school program. In northern California, where Henry George Schools operate in both San Francisco and Sacramento, the schools' efforts have moved in the direction of networking and forging alliances with like-minded organizations. Sacramento President Ann Reeves reported on classes and seminars to targeted audiences. San Francisco Outreach Director Mary Rose Kaczorowski has been networking with progressive organizations, and presented a packet of materials designed as dialogue-openers.

Next up was Matt Harris from Austin, Texas, who recommended empirical techniques to sharpen the focus of educational efforts. We should identify our goals in as quantifiable a way as possible, he suggested, and then chart our tangible achievements.

On Saturday afternoon conferees were offered a tour of "ECTV," the studios of Evanston's public-access cable TV facility. There, two panel discussions were taped for presentation on local TV. One, on the free-trade imperative, was moderated by Hanno Beck

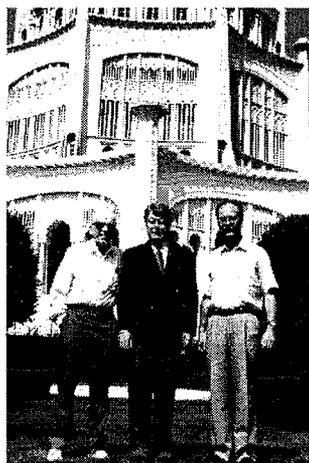


On Evanston TV: Frank Peddle, Nadine Stoner, Ken Ford and Ed Dodson

and included Harry Pollard, Jeff Smith (President of the Institute for Geonomic Transformation) and Dan Sullivan (President of Pennsylvanians for the Commonwealth) on the panel. The other took on the theme of "The Democratic Imperative," moderated by Ed Dodson, and included Nadine Stoner (President, Common Ground—USA,) Ken Ford (Philly HGS faculty member,) and Frank Peddle, (of the Canadian Research Committee on Taxation, author of *Cities and Greed*.)

### Chicago Style

Sunday's activities began with an ecumenical service, led by Mark Sullivan, in which all were welcome to speak, if moved to. Ian Lambert continued in a spiritual vein, offering a fascinating speech on correspondences between the Georgist philosophy and the Baha'i faith. The Baha'i prophet, Baha'u'llah, responded to conditions of the "gilded age" by creating a spiritual movement unique in its response to modern economy and technology and in its distinctive one-world emphasis. For Ian Lambert, the Baha'i faith completes a view of the kind of world community he is working to create. Baha'i archivist Robert Stockman, a special guest, was presented a set of George's books.

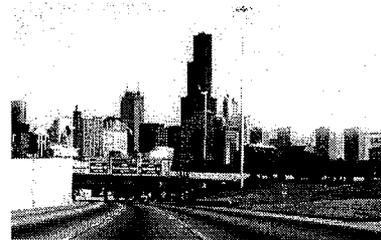


Don Hurford, Ian Lambert and Frank Peddle at the Baha'i Temple

Longtime British Georgist Ron Banks came to the States to discuss the largely successful effort, in which he participated along with Fred Harrison and Olaf Klasen, to convince city officials of Novgorod, Russia to adopt land-rent financing of public services. Banks and his colleagues are convinced that the best results can be achieved with top-down strategies, working to convince government officials of the benefits of implementing "incentive taxation."



On Sunday afternoon we all went on an "economist's bus tour" of Chicago. Scott Walton and Chuck Metalitz were the tour guides, and together they are endeavoring to reprise a Chicago HGS tradition from the forties. This was more than just a sight-seeing tour. Scott and Chuck were prepared with assessment figures and historical insights on the overdevelopment of some areas and the decay of others. They hope to continue these "edu-taining" tours after the conference.



### New Ideas and Methods

On Monday morning the CGO held its annual business meeting, where Ottawa was chosen as the site of the 1996 conference. Then came a number of presentations that took Georgist analysis a bit further than had been done thus far in the conference.

Lindy Davies discussed his paper "The Closing of the Virtual Frontier," in which he noted that free access to the internet — to the net itself, that vast interconnected phenomenon that resides in no particular place — is still free, but will not be for much longer. Overcrowding of the internet's infrastructure is creating a rental value for the exclusive use of time on the internet. That rental value, created by all of the the internet's users, stands to be collected by businesses that can offer time-priority service. It ought to be collected by the community, and used to create enough network capacity for free access to be maintained. A Georgist interpretation of internet pricing policies, distinguishing between what is rightfully private and public property, can resolve nagging questions about how to create the vaunted "information superhighway."

Jeff Smith, IGT founder and President, offered a fresh way of looking at (un)employment. Everywhere, he said, people are working harder and getting less for it. This social distortion creates, just as it did in Henry George's day, an unnatural emphasis on work. Work becomes a virtue in itself. But if the synergistic benefits of all this ever-more-efficient work went where it should, into the public treasury in the form of land rent, then everyone could get a share, a "land voucher." Work-for-its-own-sake would be a memory. People would have enough leisure time to make an informed citizenry, the key to effective democracy, a real possibility.

Dan Sullivan has decided to try to convince a new group: landowners. His idea is to sell the notion of the "high-growth private land trust" to people who seek to profit from real estate developments. In Dan's high-growth model, landowners would lease land to tenants on long-term, renewable leases; tenants would own their improvements. Some of the land rent would be used for "targeted tax relief," depending on what sort of businesses or residents the land trust wished to encourage. Such a model would create a community whose residents have the same (continued on back page)

incentive as the landowner: to create the kind of prosperity that would maximize land rents. If this for-profit model were to catch on, no nonprofit foundations would need to sing its praises. It would not take us all the way to the single tax – but it would demonstrate the effect of land rent, and its disposition, on the economic health of a community!

Two panelists joined Dan Sullivan in exploring the “Single Tax Limited.” Spencer MacCallum, grandson of Garden Cities prophet Ebenezer Howard, was thrilled to meet this Georgist group and speak on George’s influence on the Garden City

movement. Dr. Fred Folvary was also on the panel, for it treated a very similar concept to that developed in his recent book, *Private Funds for Public Communities*.

Finally, at the conference banquet on Monday evening, the Honorable Dick Noyes, current member of the New Hampshire Legislature and past President of the Council of Georgist Organizations, gave the sort

of characteristically unhurried, meandering, classically embellished, thoroughly developed, illustrated and metaphorically decorated address to which short descriptions do no justice. Suffice it to say that Dick’s speech, “The Lamb Idea,” reminded us that a good idea is worth sticking to, no matter how long it takes to get a consensus in your favor.

- Lindy Davies