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George school: Small enrollment, high goals

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Hint: He was born on 10th Street near Pine.

Another hint: His political ambitions carried him only so far as two unsuccessful runs for mayor of New York.

Final hint: His economic theories and much-read book have been praised by people including Winston Churchill, Leo Tolstoy and James Tayoun.

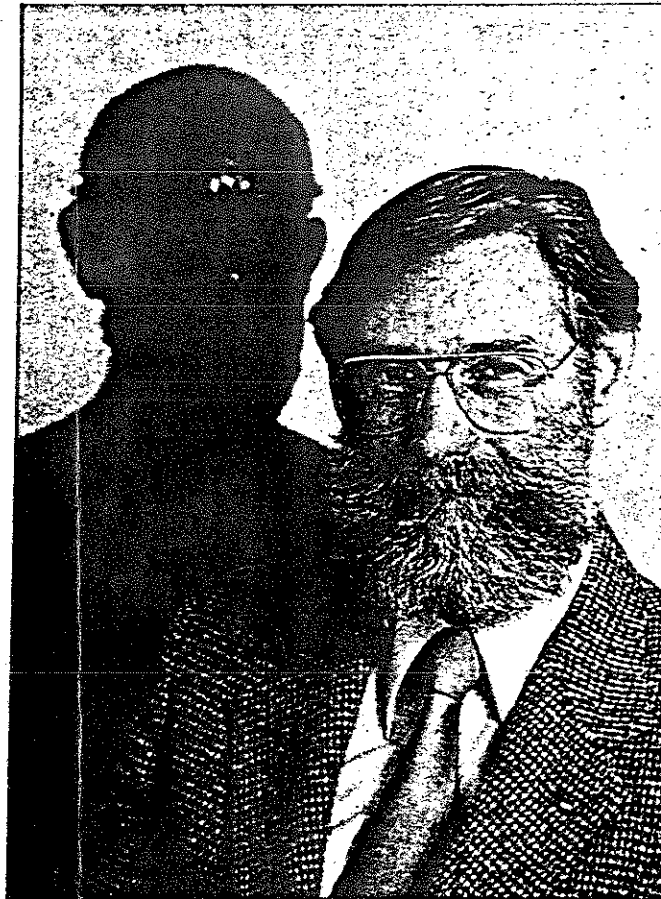
Yes, this is going to take some explaining. His name is Henry George.

"It's amazing the people of prominence who in some way became acquainted with a man who today is considered rather obscure," mused Mike Curtis, confirmed Georgist and director of the Henry George School of Social Science in Philadelphia.

"It's a rare person who says, 'I think this guy was wrong,'" said Curtis, who has been associated with the school for more than 20 years. "Then there's maybe 1 percent like me that spend the rest of their lives involved in this work."

Founded in 1935 and located at 413 S. 10th St. where George was born, the school offers a variety of economics and social science classes hinged on the premise that replacing all tax systems with a levy based on land ownership would solve the world's ills.

With that lofty goal, the Georgist economic model, detailed in *Please see GEORGIST, Page 22*



Bob Fleischhauer photo

Director Curtis poses with bust of social theorist Henry George born in 1839 in a brick rowhouse on 10th Street.

Georgist

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the 1879 book "Progress and Poverty." "It was once hotly discussed. Today, though largely ignored, it is not wholly without modern applications. In fact, a city bill that would begin to shift property tax assessments to a land-tax model was discussed in City Council not long ago.

But the story gets ahead of itself. It must start where eventual Georgists start locally — in the classrooms of the Henry George School in Center City. "I was out canvassing, and I went up and knocked on the door to the school," recalled City Councilman James TAYOUN of the day several years back when he first encountered the institution. "I said, 'What the hell is this?' And I went back and took some classes. The kernel of truth hit me: It's the land that's productive and not what's on top of it."

True to that thesis, Georgists propose to tax land ownership — not its improvements — to discourage real estate speculation and to encourage the highest and best use of property for greater productivity, fuller employment and equitable distribution of wealth. Topics of 10-week courses at the school, offered for modest fees or free of charge, range from "Political Economy" to "Great Decisions '90s," and a seminar series also is offered. Winter term begins Jan. 27.

An introductory stock market course for a sub-basement basement \$25 fee is the only non-Georgist offering — and the most popular. "It's a come-on," Curtis said. "The course is taught by Sam Gray, a full-time contract engineer who for 20 years also has been a part-time stock analyst.

"Sam believes in these ideas, and he knows his course brings people in the door," Curtis said.

Gray and other school instructors volunteer their services at no charge. "I find it stimulating," said Gray, who has formed a market research group from his class graduates. "And I find it true, as they say, that the best way to learn something is to teach it. Certain questions that are asked, they get me to thinking."

If Gray's Wall Street credentials are from the school of hard knocks — and, in his case, considerable market success, he claims — that falls in line with the similar credentials of others who run the institution.

Curtis, a dyslexic who twice failed eighth grade and dropped out at age 17, said simply, "The Henry George School has been my education."

The Philadelphia school technically is an extension campus of the New York headquarters for the New York State University-chartered institution. But its adult offerings are so most complete of the half-dozen or so Henry George affiliate campuses throughout the nation. Several other Georgist fraternalities, including a big following in Australia, are scattered around the globe.

The president of the board of trustees of the Henry George School, Edward Dodson, is a manager in the Philadelphia Federal National Mortgage Association office who several years ago enrolled as a Henry George student and today is working on a master's of liberal arts degree at Temple University.

He was researching a book he wanted to write on social theory when he discovered the school, Dodson said.

A mortgage department manager for Provident National Bank at the time, Dodson said he often found himself pondering causes of the city's blighted housing stock.

"I wondered, 'Why do we have slums? Why do we have inadequate housing?'", Dodson said. "Henry George School showed me it was largely because of the tax structure."

But not all Georgists are deep-thinking theorists from the start. Take Lucia Cipolloni, school receptionist and volunteer for more than 50 years.

"I took a course in 1937, just out of high school," Cipolloni said. She soon grasped its message.

"Democracy is a wonderful thing," she said. "It's just awfully hobbled by land monopoly."

Cipolloni, employed at a Roxborough real estate agency, said it was easy to explain her dedication to the school over the many years. "I feel as a citizen once you know a truth you should do something about it."

Such enthusiasm of avowed Georgists, though, seems to fall short of great success in a world at large long on skepticism and short of time for reflection, noted TAYOUN.

"The land-value tax is long overdue, and this city is going to die without it. Every year I introduce the damn thing," he said. "But it falls on deaf ears."

TAYOUN said he last year unsuccessfully sponsored a bill to inject the concept into local tax assessments and will introduce a similar bill in 1990. He said talk of the tax took place at budget review time but a less hectic atmosphere is needed in which to explain its nuances. However, he added, the plan as it has been proposed for modern Philadelphia is rather simple.

At the center of Georgist thought is the proposition that land should be taxed for the socially generated benefits derived from its ownership. At the same time, it is posited that assessments based on improvements to the land are counterproductive. If further is believed taxes on labor such as income or wage taxes are unfair and unwise.

In Philadelphia, like most urban areas, a land tax would be applied most severely where the ownership of land is most lucrative — the downtown. Currently, the formula for assessing real estate for property taxes includes land values, but in relatively small measure.

Though some would insist the matter is more nebulous, stated policy calls for assessing a property for its building improvements and for the land itself at a 3:1-to-1 ratio, TAYOUN said. The total assessed value then is used as a multiplier with city millage rates to arrive at property tax bills.

"It's a simple thing," TAYOUN said of the proposed change. "It changes the ratio of assessment. Right now it's 3:1 to 1, building to land. We say change that to 2 to 1, or 2.5 to 1."

TAYOUN said most people would enjoy lower property taxes if the proposal were adopted.

"In 80 percent of the homes in eight of the 10 councilmanic districts, the

property assessments go down immediately," he projected. "What goes up are the corner properties, the properties with large lawns, Chestnut Hill, Mount Airy and the Greater Northeast, where you have homes sitting on big plots of ground, they go up. The (gas) refineries go up drastically."

TAYOUN represents parts of Center City, South and North Philadelphia.

The councilman's last attempt to phase in land-weighted assessments went so far as to enlist the support of Mayor W. Wilson Goode, who promptly killed its chances for success with Council by tying it to a millage hike, TAYOUN said.

"I think the mayor's good, it city Finance Director Betty Reveal said.

"Our support for it is based upon the experience of many other parts of the commonwealth, notably Pittsburgh. Whether we would make it a hallmark of future tax restructuring is a question, but certainly one which is worth looking into."

Various cities in Pennsylvania already utilize such a two-tier assessment structure, including Harrisburg, Scranton and Pittsburgh. It is in the latter city that the formula is most weighted toward a land tax.

Though he acknowledged Pittsburgh has its slums, school director Curtis quickly added, "But less slums than in other cities." He noted the city's livability last year was rated tops in the nation in a Rand McNally ranking.

"Despite the slump in the steel industry, they have pushed ahead in Pittsburgh with new construction of office buildings," Curtis said, and added the city's land tax was to be credited.

If such an inclination to simplify cause and effect seems hasty, Georgists insist conventional economic planning dwells too much on the trees of the economic landscape and too little on the forest. Or, to use another metaphor, "It's like bailing out the water from a sinking boat while we're working on stopping the leaks," Curtis said.

To naysayers who insist Georgist theory is idle dreaming, he responded, "Up until months or even just weeks before the Civil War people said of Abolition, 'Man, this isn't ever going to get anywhere.'"

Georgist strategy is to get land taxes implemented at the municipal level first and eventually rise to state and federal enactment.

Though they have separate histories and distinct differences in philosophy, Georgists have a large involvement in efforts of the Libertarian Party, which emphasizes individual liberties and free-market dynamics. Curtis said an attraction for devotees of the Henry George School is intellectual camaraderie and dubbing among followers over modern applications. So it is a welcome byproduct of associations with Libertarians that friendly arguments erupt over fine points of political thought, he said.

Not surprisingly, there is more emphasis placed on the land tax by those counting themselves Georgists first, Libertarians second. But like that political party, Curtis said the ideological stripes of Georgists are many.

"There are people who look under

their beds for Communists at night, and there are those that are 1 inch from being Marxists," he quipped.

Curtis, 47, spent 20 years climbing and pruning trees as chief arborist at Winterthur Museum and Gardens near Wilmington. He resides in his native town of Arden, Del., one of only two — along with Fairhope, Ala. — modern-day Georgist communities.

Founded around the turn of the century, Arden is governed by a board of directors, which manages a land trust funded by residents. Residents pay according to land ownership, and the fund is used to pay the community's collective municipal and county tax bills, Curtis explained.

Curtis said he began taking courses in Georgist thought at the school two decades ago after a lifetime of ignoring it at home. He took over reins of the school about a year ago after its long-time director, Jamaican native George Collins, was named executive director of headquarters operations in New York. In that position, Collins primarily works to further school ties to public education programs nationwide, Curtis said.

In Philadelphia, the school for more than a decade has accommodated students from the Parkway School, a Philadelphia School District program featuring innovative and customized curriculum. Nationwide, an estimated 1,500 high school teachers utilize Henry George School materials furnished at minimal cost.

Student numbers at the local Henry George School are small. Curtis said the school spends about \$5,000 every term on direct-mail and radio advertising to draw about 25 students to the half-dozen Georgist courses and about an equal number to Gray's Wall Street course. Maybe half those numbers complete the courses, the director said.

Curtis said he hopes to do better in the future by supplementing random mailings with targeted lists.

"The school has embarked on an ambitious program of expansion," trustees head Dodson said.

Along with the dissemination of educational materials and commitment to increasing enrollment, school officials recently completed big physical-plant actions.

Sale of one property and a move into another site by the New York headquarters netted a \$2.5 million profit for the institution's endowment. Some \$200,000 of that was pumped into historically sensitive renovations to the Philadelphia property, completed last summer in time for a locally hosted Georgist convention marking the sesquicentennial of George's birth. The homestead is believed to be the only restored working-class 19th century residence in Philadelphia.

And if modern mass dissemination of Georgist thought lags behind last century when everyone from Churchill to Tolstoy to Charles Darwin was reading and debating "Progress and Poverty" — George died four days before his political popularity might have carried him to success at the polls in the 1897 New York mayoral race — Curtis and other Georgists appear nonplussed.

"It just sort of feels good working for something that's ultimately going to do some good in the world," Curtis said.