

Henry George School — Winter 2002 Course Schedule

#	Course <i>(Version)</i>	Day & Time	Start	Finish	Sessions	Instructor
Classes at the Henry George School, 417 S. Dearborn #510, Chicago						
1	Progress and Poverty <i>(Relaxed)</i>	Sat 2:00 PM	Jan 19	Mar 23	10	Roy Corr
2	Progress and Poverty <i>(Standard)</i>	Wed 6:30 PM	Jan 23	Mar 20	9	Chuck Metalitz
3	Progress and Poverty <i>(Accelerated)</i>	Tue 2:00 PM	Jan 29	Mar 05	6	George Menninger
4	Progress and Poverty <i>(Accelerated)</i>	Wed 2:00 PM	Jan 30	Mar 06	6	George Menninger
5	Progress and Poverty <i>(Accelerated)</i>	Thur 6:30 PM	Jan 31	Mar 07	6	Bob Jene
6	Liberation Theology & Land Reform	Fri 2:00 PM	Jan 25	Mar 22	9	John Kuchta
Class in Oak Park (near Lake St and Oak Park Av)						
7	Applied Economics <i>(Advanced)</i>	Fri 7:00 PM	Jan 18	Mar 22	10	Bob/Ruth Kennedy

Register using the form on page 3. All class sessions are scheduled to last 90 minutes.
Course descriptions are in the school catalog, which will be mailed on request, and at www.hgchicago.org.

There's still time to sign up

Because this issue is getting out a little later than we had hoped, instructors will be especially understanding of those who miss the first class session. A makeup class can be arranged immediately prior to the second meeting.

More about funding transit from land rent

In Copenhagen, a new rapid transit system is being paid for using the increased land values it brings. Much information is available on a web site at www.m.dk, but inconveniently it is in Danish. (Source: **Metro Magazine** (September/October 2001).

Back in the U. S., Portland, OR has extended its light rail system to the airport, with over 20% of the cost paid by developers who own property near two of the stations. (Source: **Trains** October 2001).

11th Henry George School begins operation

And speaking of Portland, Jeff Smith of the Geonomy Society now offers Henry George classes there. For information call him at 503/760-4932, or visit www.progress.org/geonomy.

Other Schools are in New York City, Philadelphia, Los Angeles, San Francisco, Sacramento, Sharon(MA), Calgary (Canada), Managua (Nicaragua), and Santo Domingo (Dominican Republic).

New Board Member is "real" teacher

There's a new name on the list of Board members below. John A. Kuchta, who has taught *Liberation Theology and Land Reform* regularly since Fall 2000, was elected to membership at the Board's January 7 meeting. John's "day job" is mathematics instructor at Westwood College of Technology, and he also works as a private tutor. Previously he had taught math at the high school level, and worked in logistics.

John has a B. S. from Northwestern University and has taken courses in theology. He assures prospective students that no mathematical skill is required to take his course at the Henry George School.

Henry George School of Social Science, Chicago, Illinois

417 S. Dearborn St. #510 Chicago IL 60605

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The Illinois Georgist is the newsletter of the Henry George School of Social Science, Chicago, Illinois. Signed articles reflect the opinions of their respective authors, and do not necessarily represent the opinions or policy of the Henry George School. Editor of *the Illinois Georgist* is Chuck Metalitz.

The Henry George School is a private, tax exempt educational organization under the provisions of the Internal Revenue Code Section 501(c)(3). Donations to the School can be tax deductible to the donor.

I enclose \$10 registration fee and would like to register for . . .

- Progress and Poverty (specify section number _____)
- Liberation Theology and Land Reform (section #6)
- Applied Economics (section #7—you must have taken Progress and Poverty previously)



Please . . .

- send the new school catalog including course descriptions.
- add me to your mailing list. change my address/name as indicated on the reverse.
- accept this contribution of \$_____ to help in the School's work
- contact me about tax-advantaged giving. contact me about volunteering to help the School.
- remove me from the mailing list.

Be sure that your name and address appear correctly on the other side of this form.

Mail this form to: Henry George School, 417 S. Dearborn #510, Chicago IL 60605
 or fax it to 312/362-9303 with your name & address. If you register for a course you will receive confirmation by telephone or mail.

Thanks to our Contributors

Since our last issue, donations have been received from the following individuals:

- | | |
|------------------|-------------------------|
| Grover Chapman | Georgianne B. Ellis |
| Lidia Garvin | Everett & Mildred Gross |
| Rev. Marian Hale | Robert & Ruth Kennedy |
| Carole Kerman | Aaron Renn |
| Ellen Schrodtt | Mike Shirilla |
| Kay Weisman | |

Major funding is also provided by the Henry George School of Social Science in New York City. The School's instructors, staff, and students value your support.

Measuring from page 4

Where data on vacant land values is insufficient, value may be inferred from the relationship between sales price and age of improvement. Or, using a standard appraisal technique, the land value which could be supported by development of a site in the "highest and best use" can be estimated.

The real problem for advocates of land value taxation is that the land value tax is the only tax that clearly relates to benefits received. Therefore, if land value cannot be very precisely measured, opponents can say that some landowners might pay a bit more or less than their fair shares. This may be true, but what about our other taxes?

Would anyone ever claim that income tax, sales tax, utility tax, or other taxes on production have more than a very general relationship to benefits received? I doubt it, but the fact is that these taxes are based on very specific amounts, and calculated using "very precise formulas that with many people carry far more weight than the clearest reasoning."

"Mastering Wealth" Controversy

As announced in our last issue, "Mastering Wealth" was presented at the School on August 25th, 2001, by Australian Georgist Phil Anderson. At least three of our readers (none in Illinois) were disconcerted by this, one asserting that our sponsorship of the course "completely undermines and abandons the purpose of the H[enry] G[eorge] School and H[enry] G[eorge] movement," and called on us to cancel the course. He pointed out that Henry George wanted to abolish poverty, and showed how current arrangements perpetuate it while enriching some unjustly. He surmised that "Mastering Wealth" would encourage people to take advantage of opportunities for unjust enrichment.

We decided to go ahead, to see both how popular the course would be, and exactly how its content might support or obfuscate the philosophy of Henry George.

Despite minimal publicity, seven people attended (capacity would have been eight); all paid the published price, and none took advantage of the money-back guarantee. Evaluations indicate that all were positive about the value of what they'd learned.

Nothing taught in this class increased the opportunity for unjust enrichment. Phil used some of George's analyses to help explain the nature of markets and prices. He stated some of the truths that George observed, and he discussed how land monopoly hinders social progress. There was nothing about this course inappropriate for a school teaching, as we do, "the fundamentals of political economy and social philosophy, as expounded in the works of Henry George."

Our regular Chicago faculty, however, might be unable to replicate Phil's knowledge and approach. Phil has gone off to Paris, with no plan to return to Chicago, so we don't expect to offer this course again. And as for investment education, we return to what we said last issue:

"Although what you'll learn in our courses can be helpful in making investment decisions, that is not the main focus and you should look elsewhere for that kind of training."

And we now have three fewer names on our mailing list.

— Chuck Metalitz

Henry George School

of Social Science

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Inside...

Winter 2002 Schedule New School Catalog

Measuring Land Value and Land Rent

One issue that comes up in almost every P&P course has to do with the practicality of measuring land rent (see shaded box at right for definitions). Questioners point out how much the economy has changed since George's time, and conclude that things have become too complex for rent of individual land parcels to be measured.

Of course it's straightforward to estimate the value of vacant land (although Illinois assessors routinely underestimate it), but how do we measure the value of land when there is a building on it? Most urban real estate transactions involve both land and improvement sold for a single price. Can we distinguish the value of one from that of the other?

In fact, this need not be terribly difficult. As one practitioner put it, "If an assessor had to value only the land [and not the improvements], his task would be greatly simplified and, given the same total staff resources, his valuations would be much more accurate."^{*}

Several different methods are available for valuing nonvacant land. Anywhere that redevelopment is occurring, it is a simple calculation to determine land value for transactions where an obsolete building is to be replaced. This covers the vast bulk of cases; how many neighbor-

hoods are there where nothing new has been built recently and there's little vacant land? Once a benchmark value is established for a particular area, it is usually routine to adjust slightly up or down for nearby properties.

see Measuring, page 3

DEFINITIONS

In any discussion about land rent and land value, it is helpful to keep in mind the fundamental definitions:

Land: The entire material universe, exclusive of people and their products. Land is a gift of nature which cannot be produced by people. Land in this sense includes some things which aren't real estate, for example the electromagnetic spectrum.

Rent: The periodic wealth which a landowner can claim in exchange for allowing someone exclusive use of her land. The amount of rent for a particular piece of land is determined by the difference in usefulness between that piece of land and the best land that is available for free.

Land Value: The amount which capitalizes the stream of payments comprising future expected rent.

Ethical and practical advantages of rent as the sole source of public revenue are discussed in our courses.

^{*}Kenneth Back, Director of Finance and Revenue, Government of the District of Columbia, in Daniel M. Holland, ed., **The Assessment of Land Value**; Madison, Milwaukee, and London, University of Wisconsin Press, 1970, page 41)