

# the Henry George News

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## *A Mayor Named Clarkson*

THERE was a modest item on page 13 of the HGN in May 1961 saying that S. James Clarkson had been elected mayor of Southfield, a Detroit suburban city only two years old, in what was considered a major upset. His fourth win as mayor this year is quite different. In March 1967 he won handily and two other candidates who favor his tax theories were voted into the fractional City Council, giving a promise of support for the mayor's program.

Clarkson at 42 has his own law firm in Southfield where his children are growing up in the city that has become sixth in area in the state, and which, in a spectacular boom, has outdistanced all others in the county.

The photograph on this page shows Jim in the days when he was working at the legal profession and teaching Henry George classes in Detroit at night. Firmly committed to the taxation reform, he spoke wistfully of carrying it into politics. When he campaigned for the office of State Representative his HG colleagues worked with earnest zeal to help him, and the joy of his victory was shared by them all, for he had built his platform on



LVT. Older and more experienced campaigners tried to dissuade him from associating himself with such a forlorn issue, but he stuck with it. Nor did he abandon it when he got to the House of Representatives. After observing ways and means for a few months he introduced what must have seemed a bold meas-

ure from one of the youngest and newest legislators, and a committee of five men was appointed to "investigate the effects of a higher differential rate of taxation on land values as compared to improved values of real property."

Speaking at the HGS conference in Detroit in 1960 he had already learned that "the game of politics is rough," and while thanking school friends for their support, he urged their ever growing interest in local issues. He had found that public officials were much more impressed by expressions of agreement or disagreement than was generally supposed.

When he bid for reelection to the House he was defeated, but that defeat had the fortunate effect of turning his attention to the office of mayor. In the

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## A Mayor Named Clarkson

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mayoralty campaign in Southfield he again bore heavily and with more assurance than ever on the importance of fair assessments. This seemed a rather abstract and unglamorous issue, and looking back it seems incredible that he had the persistence to keep at it. Naturally he met fulminations and antagonism in the City Council, but the logic of his views on the need for taxation reform gradually convinced an important ally, the assessor—and by 1962 the "Southfield experiment" was gaining attention from many constituents.

City assessors were revaluing vacant land and bringing it up near the 50 percent mark which the State Equalization Board required. A Cleveland company was making a reappraisal of all land in the city, exclusive of buildings or improvements. While the mayor was reeducating the assessors he was at the same time informing the public of the advantages to be gained by assessing on land and not raising homeowners' (penalty) taxes every time they improved the appearance or comfort of their dwellings.

In January 1963 we heard that a street in Southfield had been named "Clarkson," and it could no longer be denied that the mayor must be moved from page 13 to page 1. He had nearly completed his first term and he said more than one would be needed to do justice to his position—but he faced a stiff campaign. He could point to two platform promises already being realized — successful opposition to penalty taxation on home improvements, and reappraisal for uniformity in assessments. So he won again, still stressing the importance of the revaluation of property in the city's "program of progress."

Mayor Clarkson addressed the annual conference of the HGS at

Toronto that summer. By then his City Council found itself supporting the program it had fought so bitterly, because unlike Detroit, Southfield did not have an income tax and they needed the revenue.

### Recommended Study of LVT

A year later he warmed the hearts of Georgists with another surprise. At the Conference of Mayors in New York he stepped to the rostrum to propose that they discuss land value taxation. A widely publicized resolution was passed and an advisory commission on intergovernmental relations was set up for study. His influence was growing steadily.

When the third campaign came up in 1965 a formidable opponent was out "to get Jim this time," but he didn't. The homeowners' taxes had been judiciously reassessed and in many cases lowered, and the city was receiving a great deal of favorable attention. Detroit was calling Jim over for conferences before breakfast, as city assessors were taking hard looks at Michigan's constitution. They were still assessing land as low as 15 to 20 percent instead of the required 50 percent of market value. Southfield's higher assessment had forced speculators and absentee owners to release land, with the result that new building projects were bypassing Detroit and moving into Southfield.

The former Detroit HGS faculty member, now a neighborly and confident mayor, told officials and newsmen that land tax is a city's greatest source of revenue, with greater stability than either income or sales taxes. New land values in Southfield were expected to increase the total appraised valuation from \$10 to \$30 million, he said, giving his city an increase of some \$100,000 in tax income.

Benjamin F. Smith of Grand Rapids was active at this juncture in blowing the dust off of forgotten documents and causing slight embarrassment to

officials by reminding them of citizens' tax rights and the shocking inequity in assessment methods. Mayor Clarkson was called in by the Municipal League of Grand Rapids where he shared experiences and answered questions. He gave considerable credit to the practice of allowing a 1 percent depreciation on buildings and 3 percent obsolescence depreciation on new buildings the first year.

Now it appears that Clarkson is here

to stay. Because of seniority he has recently been assigned to the county's top Ways and Means Committee, though he was designated by one staff reporter as a controversial mayor and *rebel*. This committee supervises expenditure of county funds. So we cheerfully accord him top billing again. By this time, however, success has become a habit, and he may take small notice of our pride in the respect and recognition he has won.

## Another "Rebel"

In Royal Oak, a Detroit suburb adjoining Southfield, the City Commissioner, Robert F. Patnales, has been saying strange things, such as, "under-assessing is a widespread practice." He believes his city needs a "sharpening-up" of property assessments, and says a thorough review of city property in the direction of land value taxation will result in higher assessments and more cash for the city's needs. He has just been appointed to the Tax Equalization Committee — an appointment which the Board Chairman called "in the county's best interests."

Like Mayor Clarkson, he defends the property tax as a major source of financing cities and schools and is critical of officials for not assessing property at 50 percent of cash value as the Constitution requires. He advocates assessing building or property improvements at the present or lower rates.

Royal Oak is a City of well established homes. It is referred to as a maturing city, already 95 percent built up. Mr. Patnales however finds instead that many older properties, especially downtown, are not being put to their best use, and they are ready for redevelopment or for commercial use, but low assessments keep them frozen in their aging state.

Older property, he thinks, should be taxed on a par with newer property because it is receiving the same amount of service, and you can't depreciate the cost of police protection, the fire department, education, etc. He objects to the present method of appraising on the basis of "the cost of reconstruction about ten years ago, minus depreciation."

## Ten-Year Exemptions

According to an editorial from the Sioux City Journal, clipped by Max Smelser of Sioux City, an Iowa Improvement Incentive Act has been proposed by State Senator David Stanley, which would in essence remove the tax penalty for property improvement. The exceptions in the bill would be limited to any building with a 10-year moratorium. For an owner-occupied home they would continue as long as the same owner lived in the building.

The "tax reward" for owners who failed to repair and maintain property would be removed. This measure suggests assessing all property as if it had been repaired and maintained according to customary Iowa standards. To maintain a minimum tax base the Senator says taxes could be reduced on buildings and increased on land, at the option of the taxing bodies.

The editorial concludes that the bill invites scrutiny since it correctly points out that "underuse of land and failure to revitalize would, in effect, become a tax penalty, and improvement of property would be rewarded by relief from a tax increase."