

# WHAT GEORGE WOULD MAKE OF NEW

THIS editorial comment appeared under the initials TRB in the April 8, 1985 edition of *The New Republic*:

*As my favorite economic writer, Henry George, explained a century ago in his classic Progress and Poverty, real estate is not like other commodities. When an occupied apartment becomes more valuable, it is not because of the efforts and enterprise of the landlord. It is the result*

## YORK TODAY

*of social forces he had nothing to do with. Nowhere is this more true than in New York City. In Henry George's analysis, most property rights are essentially political. He would make short shrift of the claims of landlords and taxi drivers. He*

*has never had much influence, and you can see why.*

TRB should re-read *Progress and Poverty*. Licenses are indeed monopoly rights, as is the private control over the site on which an apartment building rests. The building itself? Well, that is another matter; as physical capital the building and all of the income derived from it is certainly the legitimate private property of the owner.

# Texas rent crisis!

THE LONE STAR state's economy has crashed to levels not seen since the depression of the Thirties.

Billionaires are coming to terms with being mere millionaires, as banks crash (12 in the first six months of this year) and Texas becomes the nation's unemployment Black Spot.

The Hunt brothers, Bunker,



### Shaw point

GEORGE BERNARD SHAW, author, is responsible for the saying "If all the economists were laid end to end, they would not reach a conclusion."

Herbert and Lamar, were once worth an estimated \$6 billion. Their assets have now plunged in value, and William Scobie, in the August 3 issue of *The Observer* (London), offered his solution:

"What the Hunts desperately

need is a new Jimmy Carter-style Administration that might lead to a resurgence of inflation, and thence a rise in the values of their oil, drilling and property assets."

Bunker Hunt, who once tried to corner the world silver market, cannot try to change Washington's economic policy: he is a dedicated Republican.

*Texas woes are largely grounded in a rent crisis, but none of the analyses use this concept.*

JOHN PAUL GETTY, oil tycoon, once said "The meek may inherit the earth — but not its mineral rights."  
HARRY S. TRUMAN, president, searched for "a one-armed economist so that the guy could never make a statement and then say, 'On the other hand...'"  
FRED ALLEN, comedian, defined a conference as "A gathering of important people who singly can do nothing, but together decide that nothing can be done."

# PROSPERITY IS STILL AS ELUSIVE

A RECENT *Urban Institute* study on the "Baby Boom" generation reveals that the reality does not measure up to the media image. For "young members of the middle class have experienced a dramatic decline in their ability to achieve a home, financial security and education for their children, and ... male wage-earners had slower income growth than their fathers."

To compensate and acquire some of the material things many believe are part of the good life, young families increasingly rely on both spouses working and a postponement of raising children. Americans 20 to 40 years old are also buying smaller homes than their parents did. More than a third rely on money received from

relatives to purchase their first home. Fewer than half of America's young families own a home and have a median family income of around \$25,000.

In 1973 a 30-year old male paid

21% of his gross monthly salary for housing, 44% in 1985. His expenditure for heating and utility costs rose 54%, and 65% for automobile usage (insurance costs alone more than doubling, or tripling in some areas of the nation). His family has less to spend on personal items, saves very little and seldom eats out.

## Flat game of favoritism

QUOTE by Warren Brookes, economic columnist and author of *The Economy in Mind* (Universe Books) on the chances of the U.S. Congress passing a flat rate income tax:

*The reason the tax system is so complicated is because the legislators like it that way. They like to be able to give our favors to different groups. The reason we have 40,000 pages in the tax code is that Congress wrote those pages as a means of dispensing favors to selected groups.*

*whether they be doctors, oil companies or whatever. So what they do is they play a game with us. They give us a high tax rate and they start passing out loopholes. Each of those loopholes they pass out gives them a constituency who owes them that tax favor. That in turn, turns into contributions and campaign money. It's a game. The flat tax doesn't stand a chance because all the politicians play that game. They like to give out favors whether it's to the rich or the poor or the people in the middle.*