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Citizens Group a Stumbling Block for Land Speculators

Horizon Corporation may have bought more than it bargained for. As reported in the June issue of the *News*, Horizon is a large Arizona-based land development corporation which recently obtained 24,300 acres of Adirondack Park woodland in upstate New York. Horizon's plan calls for subdivision of the tract into as many as 10,000 lots for summer homes and resort facilities. This would mean an influx of 21,000 to 36,000 people into the "forest preserve."

And suddenly Horizon is in the limelight. A group named Citizens to Save the Adirondack Park has burst into being, publicizing the project's threat to the environment and the threat of land-speculating companies to wise land use. The group is making the Horizon project a test case before the Adirondack Park Agency, created by the state legislature a year ago "to ensure optimum overall conservation, protection, preservation, development and use of the unique scenic, historic, ecological and natural resources of the Adirondack Park."

The Agency is now drawing up a complete land-use plan for the private lands within the Park, to be ready by January 1, 1973. Meanwhile, the Agency has the power to stop developers until the land-use plan is finished. Horizon's project will be the first to be considered by the Agency – at least 25 other developers have contacted the Agency. The decision regarding Horizon's plans could therefore influence the fate of the entire Park.

The test case is important because the Adirondack Park is the largest wilderness

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Annual Conference Stresses Practical Approach to Reform

by Harlan Trott

"The great end in life, " Aldous Huxley insisted, "is not knowledge but action." Something of this viewpoint is implicit in the policy changes taking place throughout the Henry George schools.

National and local leaders of these schools from cities across the United States and Canada – and from the Dominican Republic and the Panama Canal Zone – heard President Arnold Weinstein explain the new thrust in the work of the School at the opening of this year's national conference in San Francisco in July. It was the theme carried through to the inspiring remarks by Perry Prentice at the closing banquet.

During a Thursday morning session devoted to action reports by regional school leaders, Mr. Weinstein explained how it is that the entire movement presents a "better balance between the analytical and the functional." He implied the day is past when school leaders everywhere are satisfied merely with debating the fine points of Henry George's philosophy. Rather, he remarked, they are engaged in the practical applications of those principles, too.

Delegates followed up Mr. Weinstein's opening statement by describing successful school practices where in Port Credit, Ont., for example, site-value analysis and site-value assessment is in the demonstration stage.

Speaking for the Henry George School in Los Angeles, Harry Pollard reported some 5,000 high school students have received basic economic education through a program that his organization has worked out in cooperation with public school officials throughout the greater Los Angeles area. And a similar undertaking was reported to be unfolding in New York on Long Island.

Highlights of the Robert Schalkenback Foundation's property-tax reform program were discussed by its executive secretary, Miss V.G. Peterson. A four-page folder just published by the Foundation, "Uptaxing Land and Untaxing Homes and Other Improvements," contains statements by 23 economists, real estate developers and tax officials urging exemption of improvements and heavier taxation of land values as a means of attracting private capital to the tremendous job of rebuilding our decaying cities. A new Spanish edition of "Progress and Poverty" has been published and work on a third motion picture is in progress.

Since last September, Miss Peterson reported, Foundation President Prentice has made numerous speeches on tax reform to chambers of commerce, notably in St. Louis, Buffalo, N.Y., and Harrisburg, Pa.

Morning and afternoon workshop meetings, Friday and Saturday, gave further relevancy to the trends pinpointed in Mr. Weinstein's report.

Lively panel discussions and question periods open to participants on the floor focused on such pressing issues as how to deal with inflation, conservation and community planning, public school financing and land reform.

In keeping with a "tradition" begun

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Citizens Group

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area east of the Mississippi. But only 39% of the Park's 6 million acres is owned by the state. State land, mostly "forest preserve," has been protected in its "forever wild" condition by state law since 1895. The other 60% of the Park is owned privately, with 33% owned by 626 large landholders and 28% by small landholders – those with less than 500 acres.

The private owners are the key to the future of the Park. According to Citizens to Save the Adirondack Park, "If they sell and developers buy and subdivide, the Park will eventually become one vast suburbia surrounding the public 'forest preserve' land." Horizon asserts that this pattern of development is both desirable and in the spirit of the Temporary Study Commission on the Future of the Adirondacks. What the Study Commission really said, however, is that "it is not reasonable to assume" that the individual decisions of private landowners will be in the best interests of the Park. "If immediate action is not taken, many critical tracts will be broken up within five years and almost all the large blocks of private forest land will be developed with second homes within less than a generation. There will be no Adirondack Park as we know it today. It will be possible to salvage only a group of state tracts on forest preserve land surrounded by the intensively developed private lands. The wilderness will be lost and the wild forest will be in jeopardy.

"Properly controlled development is desirable . . . Uncontrolled development threatens . . . the forest atmosphere. It also brings unmanageable economic problems of water supply, sewerage disposal, solid waste disposal, and all the other familiar woes of overcrowded, unplanned, suburban development."

Despite Horizon's 15 years of experience in land development, the Citizens to Save the Park are wary of the company's intention – and ability – to provide adequate services if the project is approved. In its New Mexico development, according to Time Magazine, the company is supplying future residents with neither water nor sewerage systems.

More impressive is the March, 1972 report on Horizon of Standard and Poor's, a leading authority on the New York Stock Exchange. The report's recommendation in full: "This company, primarily engaged in the mass-marketing of unimproved land held in the Southwest, is demonstrating very rapid growth, reflecting an aggressive sales and promotion effort. These speculative shares generally trade at a low multiple of earnings, reflecting, among other things, the financial reporting methods and marketing practices used in the land development industry. Considering the potential negative factors involved, the stock (split 3-for-2) seems best avoided."

The Standard and Poor's report points out that the long term prospects of Horizon's stock depend on "the building up of viable communities in land sale areas." If this does not occur, the result will be "declining market acceptance."

Furthermore, the Federal Trade Commission started an investigation of the corporation's advertising and sales procedures in October, 1971. The Accounting Principles Board is studying retail land developers' practices, and its recommendations "may have some adverse effects on reporting earnings." The principle involved is the reporting of earnings dependent on future installment payments – Horizon's net income in 1970-71 was $15.6 million, but cash generated from operations was only $312,000. No cash dividends have ever been paid on the stock, and as of May, 1971, only 1,100 living units had been constructed on Horizon property.

Citizens to Save the Adirondack Park point to the plunder of other areas when developers move in. The skyrocketing of land prices and taxes in Vermont, for example, has forced selling by the elderly and by farmers, changing the landscape and the personality of the state. In the Adirondack Park, says the group, the "scenic" highway may not be developed by Horizon, but Horizon's city would attract bars, gas stations, and nightclubs. Horizon would have to spray its tract with insecticides to combat the north country mosquito, black fly, and deer fly. Water reservoirs would raise temperatures above what the native stream trout can tolerate. And outside the core area, where Horizon plans to treat sewerage dumped into the Grasse River, owners would have to provide their own water supply and septic tanks. Those downstream, who obtain drinking water from the Grasse, are skeptical.

Citizens to Save the Adirondack Park is joined in its fight against this project by many other groups and prominent public figures, most of them concerned primarily with the conservation aspect of large developments. There is more at stake than this project, however; still to be settled are questions of controlling development – how it should be done, by whom it should be done, and what its costs should be, socially and politically as well as ecologically.

Meanwhile, Citizens to Save the Adirondack Park will send you, free, a 15-page pamphlet describing their cause, and you may join by writing to Mr. Jonathan Fairbanks, R.D. #3, Potsdam, New York 13676. A regular membership is only $1. The group also urges that letters be sent to the Chairman of the Adirondack Park Agency, Richard Lawrence, Ray Brook, New York 12932.

Who Said It?

"The Federal Government must and shall quit this business of relief . . . Continued dependence upon relief induces a spiritual and moral disintegration, fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit."

The Henry George School will give a scholarship to "Money and Banking" to the first person correctly identifying the source of this quotation.

Annual Conference

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by the Henry George School of Northern California under Executive Vice President Robert Tideman, the Saturday noon luncheon program was given over to the presentation of annual media awards. This year's newspaper citation went to Mr. and Mrs. Frederick Graeser, co-publishers of *The Montclarion* – an independent weekly newspaper serving the Oakland area. The 1972 Writer's Award went to Peter Barnes of Berkeley, West Coast Editor of *The New Republic* Magazine, for his perceptive series of articles dealing with California land reform.

A delightful reception Thursday evening at the San Francisco home of Miss Catherine G. Covell, President of the Henry George School of Northern California, saw the national conference off to an amiable beginning. Sightseeing and shopping excursions in the bracing sea air of San Francisco in July were woven around the more serious topics of the conference program at the Japanese Cultural and Trade Center's imposing new Miyako Hotel.

Immediately after the conference, Mr. Weinstein enplaned for Taiwan and a grassroots look at land reform in that flourishing Far East island republic.