

EDITOR'S NOTES

Our first issue of the new year contains more than the usual share of opinion pieces, since we were able to sum up most of 1991 in our last issue. We include our annual message from the School president, on page one. The discerning reader will also notice a few changes in graphic style. And we hope the quality of articles continues to improve throughout the coming year.

Henry George Institute announces the launching of its correspondence course in *Human Rights*. This is one of four courses offered by the Institute, the other three constituting the sequence on *Principles of Political Economy: Fundamental Economics, Applied Economics, and Economic Science*. This new course is based on an earlier version developed at the Henry George School by then director Robert Clancy, who now heads the Institute. *Human Rights* examines American, French and United Nations declarations on the subject, papal encyclicals on social issues, and several works by Henry George (*A Perplexed Philosopher* on Herbert Spencer, *The Irish Land Question*, *Property in Land*, and the *Open Letter to Pope Leo XIII on the Condition of Labor*.) As pointed out by HGI, this course goes to the heart of the Georgist philosophy, which is built upon a vital concern for social justice. Those interested may contact the Institute at 121 East 30th Street, New York, NY 10016 (212-689-0075).

New Visions for a Fragile Planet is a series of five lectures offered by The New York Botanical Garden in the Bronx, New York (212-220-8747). Presented in cooperation with other environmental organizations as part of the Earth in Rebellion series, these lectures are held at 6 PM on Thursdays beginning January 16th at Chemical Bank, Third Floor Auditorium, 270 Park Avenue at 47th Street, Manhattan. Costs are \$64/series; \$14/individual session.

Ernie Bryan of British Columbia has been sending us a regular series of letters on interesting themes. Mr. Bryan is a very individualistic Georgist who is quick to criticize the encroachments of the group whenever and wherever he finds it: From politics and economics to education, philosophy, and even the sports arena. For example: "We are told in school that we send a person to Parliament, not with fixed instructions how to vote, but to ponder on our behalf all measures brought before the legislature. This representative will vote after mature consideration that we in the boondocks could not possibly give. Somehow this rep. will acquire a higher intellectual status that those who voted for him or her. He or she will be a sublimation of the voice of the people; - the kind of sublimation that results in belief in such fanciful things as the Divine Right of Kings; the Social Contract; or the existence of leprechauns." Mr. Bryan's address is: 46129 Lewis Ave., Chilliwack, B.C. Canada V2P 3E2.

FREE ACRES - FREE SPIRITS

Free Acres, New Jersey was the subject of a November 17 lengthy feature by reporter Mark Di Iorio in the *Sunday Star-Ledger*. Entitled "A place for free spirits", the article says this "Single-tax community was a mosaic of artists, writers and average Joes." Mr. Di Iorio gives an informal history as seen through the eyes of current Free Acres residents Joe Romano ("one of the unofficial historians of Free Acres."), Marion Conner, and Laurel Hessing. Ms. Conner is the daughter of Thorne Smith, who wrote the "Topper" series, and lives in the house her father owned in Free Acres. Land in Free Acres is owned by the community in land-trust fashion. One of the rules, that trees could not be cut down, led to "a few trees growing up through the (roof overhang of the) house."

The author gives background on Free Acres including a short history of the career of Henry George and the founding of the community by Bolton Hall. "The first group of Free Acresites met in the Greenwich Village apartment of theatrical designer Amy Mali Hicks in early 1910 to take applications for the leaseholds. By spring, they were taking the train from New York to the area, where a local farmer named Bob Rogers would meet them and bring them by wagon up to Free Acres. The 30 people who spent that first summer at Free Acres camped in tents. Water was drawn from a spring, and the Green Brook was used to keep food cool and for bathing."

"Even today, Free Acres residents do not own the land, they buy 99-year leaseholds. 'The theory is that more people could own their homes if they didn't have to pay for land,' said Romano. 'That makes some people uncomfortable, but it shouldn't. The fact is, if you keep the property for 99 years, you can renew the lease at no charge.' And the community spirit is still very much alive: monthly residents' meetings are still held in the farmhouse which holds the community center, library, and children's play group. Town clerk Geraldine Runfeldt keeps the community records and handles complaints and suggestions. Residents also continue to share in the communal expenses. According to Laurel Hessing, 'You get to know people. You get to know what they believe in. You get an idea on how to form consensual opinions as a community. And you know what? It works.'"

A smaller article by Mark Di Iorio accompanies his main (continued on page 5)

Modest Proposal

(continued)

person - while New Yorkers will lose over \$17 billion in the process." No wonder poor Cuomo and Dinkins can't balance their budgets.

My modest proposal is this. Let's not pay off every single S & L depositor. Everyone knows that most of the bailout amounts to a huge transfer of wealth from working taxpayers to high-flying venture capitalists. This evil seems necessary, for how can we distinguish the parasites from the deserving, small-time depositors? Well, to do that, I suggest we ask the people who worked in S & L's prior to 1980. Community people, who know who is who, can go case-by-case through the portfolios. You'd hear things like, "Oh, this is Max & Maxie Schmoo, they've been with us for years, we'd better pay 'em..." It would be more fair than the

current scheme, and far less expensive. And as for the approximately \$175 billion in real estate the RTC still owns, I suggest not selling it. Selling that much real estate in this market is simply not sensible. I suggest the RTC lease out the land instead, at its current annual rental value, and then sell the improvements. This would have two tremendous advantages: 1) It would make the properties so inexpensive that they would stand a good chance of being put to productive use; 2) It would be a laboratory test, a regular photo-opportunity for Georgist reform.

Do we expect this to happen? No. It would make too much sense. The rent-collectors will, most likely, continue to make out like bandits. Everyone should be hopping mad, livid, fit-to-be-tied about this, but Georgists particularly.



HOUSING CRISIS IS REAL, AND GETTING WORSE

by Sam Venturella

Also published by the Ulinas Chapter of the American Planning Association, and in the News Star, Chicago. Sam Venturella is a retired city planner and President of the Chicago HGS.

Is the plight of the homeless a result of Reaganomics - the shifting of responsibility for welfare of the poor from the federal government to the states and cities? Or is it a symptom of a greater, more serious problem? Who or what is responsible?

Isabel Wilkerson, of the *New York Times*, dates awareness of the homeless to the beginning of the 1980s. That may be true for journalists, but others were aware of the condition sooner, very much sooner. The city of Chicago, for example, initiated public housing way back when Edward J. Kelly was mayor. Kelly's reign began in 1933.

And Mayor Kelly was a "Johnny come lately" in this game. Private philanthropists had already built rental apartments for the poor.

What Wilkerson brings to our attention is that popular reaction is moving from empathy to intolerance. She might have said fear; for fear is the motivation for laws that ban panhandling in the subways, or ban (homeless) sleeping in parks and other public places. It is disconcerting - frightening, even - to be confronted by a disheveled, smelly person asking for money.

The fact that homeless people are real enough and scary enough to cause politicians to enact laws to keep them out of sight doesn't faze the likes of Carl F. Horowitz of the Heritage Foundation.

Horowitz doesn't see people, he sees numbers. In this case, numbers from the Census Bureau and the Center on Budget and Policy Priorities. The numbers are in studies: one on home ownership, another on low-income rental units.

What do the numbers tell Horowitz? Why, they tell him that housing has become more affordable, not less so. No surprise that this is the opposite of the Census Bureau's study.

Horowitz plays by interesting rules. One rule - the most important - is to limit the population he talks about. In this case, the population is home buyers. Hold it, now. Let me repeat that. The numbers Horowitz talks about are **home buyers**. The homeless don't exist in his world.

Horowitz ought to read [a published] letter from Douglas A. Benson of Waukegan. Benson advises: Get out from behind your desk. Talk with people. Talk with wage earners trying to get by on the hourly rates of a factory job, or a store clerk, or a letter carrier. Talk with young marrieds with children trying to make ends meet on two paychecks or retirees existing on Social Security, life savings and a part-time job.

Benson points out first-time buyers need an income of \$45,000 a year to mortgage a \$106,000 house. How many families have incomes of \$45,000 a year?

LESS INVOLUNTARY POVERTY MEANS LESS TAXES NEEDED FOR WELFARE FOR THE POOR. WE CAN THEN TURN OUR ATTENTION TO REDUCING WELFARE FOR THE RICH.

As Wilkerson mentions, solutions from conventional wisdom haven't made a dent in the problem. Frustration has replaced the optimism that more dollars for government programs would solve the problems of the poor. How unfortunate that this frustration does not lead to a demand to drop conventional wisdom.

Perhaps Horowitz can't help himself. He offers another dose of conventional wisdom: a war on unnecessary government regulation in housing construction. Isn't it time to look elsewhere? Maybe building site costs?

There is another dimension to the housing problem. It is the very real and present danger to continued widespread homeownership posed by the current form of the real property tax.

The real estate tax is actually two taxes. Real estate consists of disparate components: land and improvements, (and) taxation affects each differently. The tax on improvements tends to inhibit improvement and maintenance, while the tax on the site tends to stimulate improvement.

Have any of the think-tank pundits ever asked what would happen if taxes were to be removed from improvement value and increased on land value? I suggest such a change would increase employment, thus reducing the need for welfare for the poor. And, further, I suggest that any city that dares to try this change will experience an increase in the number of housing units.

More jobs at better pay will do more to remove panhandlers and reduce homelessness than a whole battalion of police. Less involuntary poverty means less taxes needed for welfare for the poor. We can then turn our attention to reducing welfare for the rich.

BOB BIANCO

Bob Bianco, a Georgist of long standing and teacher at the Henry George School for many years, died in his sleep on December 21st, 1991.

In addition to teaching for the School on Long Island and in New York City, which earned him many admiring students, Bob was an accomplished jazz musician, pianist and singer. In this field he was also a teacher and mentor. Many younger musicians whom he has coached have gone on to establish major international careers, including the group, Manhattan Transfer.

At the Henry George School Bob taught Fundamental Economics. He began in the 1960s when the School was on East 69th Street, continuing at the East 44th Street building, and during the School's first year, 1988-89, at 121 East 30th Street. Over these years he developed his own distinctive style and approach in explaining the science of economics and concepts of the Georgist philosophy to his students. He taped every session in order to perfect his technique. His wife Ann accompanied Bob and attended all his classes.

Although he had not led classes at the School in his last two years, Bob remained ever the teacher, espousing the primacy of community collection of land rent as the basis of freedom and economic justice, in his personal contacts.

FREE ACRES - FREE SPIRITS

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story. This one recounts "the wild days of Cagney" and other early Free Acreites. James Cagney was one of several famous, and infamous, colonists. In addition to Thorne Smith, there was author McKinley Cantor, Upton Sinclair, artist Bill Crawford, nudist Ronald Hotson, socialist John Tucker and feminists Dr. Mary Hussey and Grace I. Colbron. The colony had a reputation as "a haven for revolutionaries and anarchists, a reputation that grew as the area around it became more populated." Laurel Hessing has documented this history in a 350-page compilation of writings and recollections of Free Acre residents - whom she says "would better be described as 'lyrical leftists'...intelligent, creative people" were not political but "believed in the rights of man and the golden rule." □