

Indeed it might. But would such a program, involving the subsidy of present ills really accomplish very much, or would it instead do further damage to the marketplace? Investors will put their savings into buildings when and if the market-determined return is forthcoming.

In New York City—the area of greatest interest to the bank—apartment house owners are caught between the vestiges of anachronistic rent control and an irrational tax system that imposes penalties on the improvement of real estate. The state legislature has moved to phase out the crippling rent control laws. But until the incidence of the property tax is shifted to the land and lifted from the structure, little progress can be made in relieving undesirable housing conditions. Certainly, the bank's suggestion to subsidize the irrational won't help.

Hong Kong

Nearby Hong Kong, for instance, is suffering from an astounding inflationary spiral, with rents soaring 50% to 150%. With choice sites on the Hong Kong waterfront selling for up to \$800 per square foot, many factories are forced to shut down, fail, or are being abandoned. Naturally, the consequences for the residents—many of whom are locked into the island—are devastating.

Water Supply Threatened

In Kowloon, the story is a little different, but not much better. Industry is attracted to this area for the same reasons that American and Japanese manufacturers invaded Hong Kong: a plentiful supply of cheap labor. Forced out of Hong Kong by the rent increases, business turns to Kowloon. The mainland people could conceivably benefit from the industrial influx, but for the uncertainty of their tenure.

Under present conditions, the Chinese could, at any moment, cut off the water supply to Kowloon. As a result, factories constructed there are financed on the basis of all capital to be repaid in 40 months at 30% annual interest. Optimists maintain that Kowloon will go unmolested, rationalizing that China obtains approximately \$500-600 million a year in foreign currency through this one avenue of trade. However, the insecurity in the knowledge the lease will run out, combined with the astronomical costs of capital outlay, does not bode well for Kowloon residents who do not enjoy a laudable degree of affluence.

A site value tax, Greene says, would reduce the land costs on Hong Kong, and stimulate the construction of much-needed housing in Kowloon. No city, he says, needs the saving grace of this tax more than Hong Kong or its satellite Kowloon.

from the editor's notebook

WHO OWNS WHAT ?

The reason I have never accompanied friends to Shea Stadium to see the Mets play the Cardinals is that my loyalty is divided. To date, I have yet to decide whether I should cheer for the Cardinals (whose hometown bred me) or the Mets (whose hometown has bled me for the past three years).

Now I don't know which city to moan for.

Although I remain, for reasons uncertain, optimistic about the future of them both, I am told by reliable sources that the two cities are in their death throes.

Perry Prentice informs me and the St. Louis Chamber of Commerce, that St. Louis is "further down the road to total abandonment than any other city in the country." Now to my knowledge, this is a fact Mayor Cervantes has never proclaimed. In point of fact, the last time I visited St. Louis I was convinced that the nifty Gateway Arch on the riverfront, the new hotels and restaurants, the new Pet Milk Company skyscraper signaled the city's rebirth. The Dresden-1945-looking shells of the public housing projects, and the still vacant fields lining Market Street (once slums and warehouses, now suitable for planting to blighted corn), I considered unfortunate and uncultivated, respectively. Mr. Prentice explodes my belief that it is as easy to move residents as building materials into a city.

Fifth Grade Economics

One down, and Forbes gets the rest.

Based on knowledge imparted to me by my fifth grade teacher—knowledge nurtured by vocal cab drivers—I was of the firm, but erroneous, belief that the Archdiocese of New York was Manhattan's greatest landowner. Exactly what it was doing with all of the pizza parlors and laundromats puzzled me. But it was, for the sake of mere iconoclasm, somehow delightful to see such a merger of Church, and literally, state.

Then along comes the Forbes feature, *Who Owns New York?*, by Frank Lalli and Judy Koblentz, to inform me that it's neither the Archdiocese, the English Crown, the Astors, or Peter Max (whose name I've even seen in Yonkers). Truth is the City Fathers own New York. The city government itself owns Central Park and has fallen heir to 13,000 abandoned properties making it its own worst slumlord. The city has tried to sell the blighted buildings, but they remain unbought for the same reason they were

Greene Presents '71 George Award to Prentice

The following presentation of the Henry George Distinguished Service Award to Perry Prentice was made by Lancaster M. Greene on July 10 at the School's San Francisco conference:

We all draw circles around ourselves. Some of us to exclude others, and some of us to bring others closer into our orbits.

To draw many people of influence into the Henry George educational orbit required outstanding leadership and ability to communicate.

One man's determined efforts through recent years have brought to the attention of the American public the merits of Location Value Taxation, winning its acceptance in influential circles. Thus, he has been laying the groundwork for greater accomplishment.

Such success merits special recognition. The Trustees of the Henry George School, in making their 1971 Henry George Distinguished Service Award, are most appreciative of the remarkable achievements of the recipient, Pierrepont Isham Prentice, known affectionately as Perry.

abandoned. It's too expensive to maintain them.

My fifth grade teacher also claimed Pawnee ancestry and was extremely bitter about the shoddy deal Peter Minuit put over the Manhattans in 1626 by buying their little island for \$24 in cocktail jewelry . . . sans agent's fee or security, and before rents were decontrolled. Reports are that had the Indians reinvested the money in securities at 6% compounded, they would today have \$13 billion. Enough to buy back Manhattan and restore the abandoned buildings. What teacher didn't know—and therefore didn't hurt her—was that the Indians were the one who took the wily Dutch. The Manhattans didn't even live on the Island; they were merely passing through.

With these myths exploded, I am inclined to think that if the urge to own anything stationary ever overtakes me I will resist temptation to buy a brownstone or a corn field. Instead I'll bid on right field at Busch Stadium and center field at Shea.

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