

THE HENRY GEORGE

NEWS

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September 1972

Fall 1972 Calendar

Tuesday, September 19

- A103. Radical Movements in America Today
- A107. The Philosophy of Violence
- B202. Reform for Our Time
- C303. Small Business Management
- C304. Real Estate for the Small Investor

Wednesday, September 20

- A108. Critique of American Capitalism
- B203. Reform for Our Time
- C301. Money and Banking

Thursday, September 21

- A101. Progress and Poverty
- A104. Contemporary History Through Films
- A105. The African Experience
- C305. Real Estate Appraisal

Monday, September 25

- A102. The Radical Tradition
- A106. Urban Housing
- A110. Critique of Socialism
- B201. Reform for Our Time
- C302. The Securities Markets

CLASSES END

Thursday, December 21

HOLIDAYS

Election Day,
Tuesday, November 7

Thanksgiving Day,
Thursday, November 23

Fall Semester Focuses on Individualism and Equality

The fall semester at the School features 13 courses plus two sections of "Reform for Our Time." Gerald Meyer, the new program director, retained the curriculum organization of last year and thus courses are again divided into the categories "social philosophy," "political economy," and "business."

Most courses are inspired by Georgist themes — the problems of individualism, the role of the state in economic affairs, social and economic equality, critiques of ideologies, and of course land use and land taxation.

Mr. Joseph Hyler is presenting a course on the basic ideas of Henry George. After casting around for an inviting title, it was finally decided to call the course **Progress and Poverty**. Mr. Hyler plans first to discuss George's critique of capitalism and his proposals for alleviating the injustices of the system. Then the Georgist worldview and specific suggestions for change are viewed for their implications in today's society. Mr. Hyler will, in this last section, emphasize race relations, housing, and urban civilization.

Reform for Our Time deals directly with the economic and ethical rationale for land value taxation. Using a specially prepared text, the class will gain an understanding of today's hottest political topic, the property tax, and become prepared to argue the merits of urban planning, public housing and transportation policies, and the shape of America's social future.

Also in the political economy category is **Urban Housing — A Crisis of American Capitalism**, given by Richard Devine (who last semester taught a sprightly version of *Reform for Our Time*). As Research Director of the National Urban League, Mr. Devine is uniquely suited to discuss urban housing; his original research has revealed extensive racial discrimination in the mortgage lending policies of New

York banks. Mr. Devine will approach the subject from the point of view of how the various markets work and don't work. This entails delving into public investment in housing, including whether planning and new towns are feasible, or, given the state of the art, desirable.

Critique of American Capitalism, taught by Gerald Shechter, will trace the development of capitalism in the United States to show how and where and when the system went awry. A primary question is the relationship of political liberty and economic freedom. Mr. Shechter's historical overview will authoritatively review the meaning of monopoly, imperialism, and racism in the United States.

Critique of Socialism is for those against socialism, those for socialism, and those who want to know what it's all about. Mr. Hyler, the instructor of *Progress and Poverty*, has set up *Critique* as a verbal battleground (or "continuing class dialogue," to put it in polite terms), and he plans to define the capitalist crisis so that all socialist ideologies have a chance at solving it. In addition to socialist theory, Mr. Hyler will present material on the ideological conflict between the Soviet Union and China, and the relevance of socialist thought to contemporary America.

Very much in line with this emphasis on what's happening in American politics is a set of courses titled **The Radical Tradition — Conflict vs. Consensus in American History** and **Radical Movements in America Today — 12 Case Studies**.

The Radical Tradition, taught by Gerald Meyer, focuses on the birth and repression of radical movements in American history. *The Intellectual Origins of American Radicalism* by Staughton Lynd is a starting point for analyzing why concepts of social change have prospered briefly, only to be coopted by conservative forces or erased by them.

Radical Movements in America Today continues the discussion of radicalism (but may be taken independently). The 12 case studies include populist movements and movements from within established organizations: the object of the inquiry is how such groups gained public attention and acceptance, how original goals were met or modified, and whether gains were piecemeal palliatives or signals of a changing intellectual perspective.

One of the most challenging courses in Henry Epstein's **Philosophy of Violence — Reform, Revolution, Utopia**. According to Mr. Epstein, the "guiding question" of the course will be "What is human nature in the modern world?" The analysis will first divide this imponderable into what is the nature of human needs, psycho-social as well as material, as revealed through the development of the modern industrial state and the ideologies that arose to secure or supplant the status quo. One major question is whether the ownership of property is a basic human need. Last semester Mr. Epstein conducted a course called "Individualism;" this course will develop further a picture of man and his all too slowly changing myths about himself and society.

The African Experience, given again by Barbara Rockefeller, surveys African institutions for public school teachers. Art and law are primary sources of information and interpretation of the philosophical contributions to world civilization of this still dark continent.

(Contrary to the listing in the bulletin, Dr. Schwartzman will not be presenting *The History of Economic Thought* this semester.)

Contemporary History Through Films, taught by Dr. Martin Jackson, will feature a film showing at each session and discussions of the thematic import of the films and the historical import of the media. A complete listing of the films is given on page 3; further information about the films and about Dr. Jackson's publication, *The Historian's Film Review*, can be had by contacting Miss Peggy O'Reilly.

The business courses include **Money and Banking**, **Real Estate for the Small Investor**, **Real Estate Appraisal**, **Small Business Management**, and **The Securities Markets and Personal Financial Planning**. **Money and Banking** surveys the operation of the money system in America and asks whether the Federal Reserve runs the show or is a highly paid audience. The two real estate courses are taught by Sam

Kuckley, Research Director of the Real Estate Board of New York. Mr. Kuckley brings a spicy combination of business acumen and astute economic analysis to his subjects: he is equally likely to project formulas for becoming a millionaire through real estate and to query whether society can afford a real estate system that permits it.

The Securities Markets, an intermediate course for investors who either took Richard Friedlander's spring course or already have knowledge of the markets, emphasizes the sophisticated possibilities of the system. This includes clever things that can be done with estate planning and tax shelters, and an orientation devised by Mr. Friedlander for knowing something about your motives and personality before you try to be clever.

Renato Bellu's **Small Business Management** is a course designed by a successful small businessman for small businessmen who want to be successful. Mr. Bellu will lay down some basic principles, outline basic problems, and analyze class cases.

* * *

Profiles of some faculty members appear this month; next month, more.

Viewing Ideologies-- Film Course Schedule

Contemporary History Through Films, presented Thursdays by Dr. Martin Jackson, is a course combining analysis of the social and political themes of the 20th century with a demonstration of how films make history. What the public thinks about war, revolution, poverty, social conflict may be profoundly influenced by the experiences provided by films; Dr. Jackson will lead discussions of these and other topics in terms of content, audience impact, and films as historical documents.

Schedule

Sept. 21: *Battle of San Pietro; Night Mail*
Sept. 28: *Arms and the League; Pathe News; Early Films of Interest*
Oct. 5: *October*
Oct. 12: *All Quiet on the Western Front*
Oct. 19: *Oliver Twist*
Oct. 26: *Paisan*
Nov. 2: *Metropolis*
Nov. 9: *Grand Illusion*
Nov. 16: *Battle of Algiers*
Nov. 30: *Birth of a Nation*
Dec. 7: *Our Daily Bread*
Dec. 14: *Stars Look Down*
Dec. 21: *I Love You, Alice B. Toklas*



"But if we rob from the rich and give to the poor, then the former poor will be rich and the rich will be poor, so then we'll have to rob from the former poor who are now rich and give it to the former rich who are now poor. Somebody ought to be able to figure a way out."

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Faculty Profiles

Rick Devine

The Henry George School is honored indeed to present again this year perhaps the only economist in the city who claims his major academic distinctions to be the spelling championships of his first, third, and sixth grades and the conferring of a baccalaureate with an asterisk.

According to Mr. Devine, he abandoned a life-long desire to explore the synthesis of the DNA molecule after receiving the only negative score ever recorded on the chemistry Regents exam, and turned instead to dedicating his life to uplifting the oppressed masses of the world. This he started to do by learning Swahili in order to obtain directions to the beach while in the Peace Corps in Kenya.

Before he found his present niche at the National Urban League, Mr. Devine distinguished himself as an apprentice short-order cook at a steak house on 42nd Street and Broadway (in the window), leaving this lofty position when it was discovered that he suffered from pyromania. Although Mr. Devine clearly wanted to discuss his hobby, taxidermy, this interviewer persuaded him to report on his current activities at the League, a summary of which follows.

It seems that there is only a general law against discrimination in lending. The intrepid Mr. Devine therefore rushed in to research the mortgage lending policies of the commercial banks and the savings and loan industry, his first discovery being that these institutions declined to display equal opportunity posters. His suspicions aroused by this lobby tactic, Mr. Devine then ran a few regressions on his handy computer and found that the viability of a parcel of property is in some neighborhoods no longer the prime consideration in a bank's decision to make a loan. Instead, some 78% of the variation in lending policies can be attributed to the percentage of black faces in a neighborhood and the percentage of 1-4 family homes. Other factors, such as distance from the central business district, the condition of the building, closeness to transportation lines, and percentage of rent controlled buildings, don't count in making lending decisions to black neighborhoods.

As for mortgages that are given, Mr. Devine outlined the process by which the

banks (such as First National City and Banco Popular) extend a line of credit to mortgage brokers (such as Inter-Island, currently under indictment). The mortgage brokers sell the mortgages to the federal government – and the rub is that when the person taking the mortgage does not have the ability to pay and the mortgage is foreclosed, the federal government is left holding the bag. This has been documented recently in Brooklyn and Queens.

Another way the banks mess up the market is by trading conventional mortgages that may be shaky for FHA mortgage houses (such as Easton Service). These houses turn conventional mortgages into FHA mortgages by the yard, complete with prospectuses, and trade them back to the banks.

As Mr. Devine observes, "the rip-off never ends." The title companies are going along with this: a title search is conducted three times, first when the conventional mortgage is granted, when the FHA mortgage conversion is made, and then when foreclosure occurs. If in fact the landowner, slumlord or otherwise, does not have the ability to pay the mortgage, he may have been defrauded, since foreclosure means receivership by a court-appointed receiver who is often a contractor. Receivers are seldom certified property managers. Landlord and tenant both lose to the system.

The title of Mr. Devine's paper will be either "We're Doing a Lot for America" (the slogan of a large savings and loan institution), or "The Big Squeeze." His ideas about loosening the grip of the grabbers include making it law that banks must invest in the neighborhoods in which their money is originally deposited – whatever rates must be paid. That is, in order to have equality of opportunity in housing, the distribution of capital must be altered; if banks cannot maintain the high interest rate necessary in high risk areas, perhaps the state should guarantee the mortgages. The flaw in this argument, says Mr. Devine, is that the "cushioned" banks could afford to make mistakes – and yet deposits are guaranteed up to a certain amount by the Federal Deposit Insurance Corporation.

Mr. Devine does point out that, simply put, one of the George's statements jibes with the outcome of this study: capital is short only because it is improperly distributed.

Mr. Devine's other research activities concern citizen participation in urban renewal projects. This has made him an habitue of the airports of Detroit, Atlan-

ta, Oklahoma City, San Francisco, Yonkers, St. Louis, New Orleans, Nashville, Buffalo, Washington, Memphis, Boston, and perhaps someday, Burbank.

Brown Acknowledges Award

University of Missouri's professor emeritus Harry Gunnison Brown was given the Henry George Distinguished Service Award at the School's Conference in San Francisco in July. The following are excerpts from his letter of acknowledgement:

I found and read *Progress and Poverty* during my high school days. I went on to read other books by Henry George. It was because of his influence that I decided to become an economist, and his ideas have influenced me all during my professional life.

In my years of teaching – and in my writings – I have tried to present the best which was set forth by George. Or, as expressed in the inscription on the award, I've endeavored to present to my students and readers "the virtues of free men in a free society."

To the School, I want to say "Thank you" for this unexpected honor. It is heartwarming to have this come 22 years after I officially retired from teaching.

Book Fair to be Held

During the last two weeks of classes a book fair will be held at which students and friends can buy, sell and trade books.

Books you want to sell at the fair should be left at the reception desk with a slip of paper stating your name, address, telephone number and the price of the book. After the fair you should pick up your books not sold and your proceeds.

If you have books you no longer want to dust but don't want to go to the trouble of selling, you may donate them to the School – and such donations are tax deductible. Books suitable for the library will have your name as donor inscribed, and the rest will be sold at the fair, the proceeds going for new library books. Magazine subscriptions may also be donated to the library and are tax deductible. Those wishing to donate an entire collection should contact Mr. Gerald Meyer to arrange for transportation.

Land Use Reform Upcoming in California

The following might have been tailor-made for all the new students at the School this fall who want to know "Who was Henry George and why are Ralph Nader and Senator Muskie talking about him?"

It is Senate Resolution No. 74, written by Albert S. Rodda, Sacramento County's State Senator, submitted last July. If you can overlook those distracting "whereas's," you'll find as succinct and complete a statement of the modern position on land use as a radical economist could write.

Over a year and a half ago, Senator Muskie's Senate Subcommittee on Intergovernmental Relations published a report on property taxation that was more lengthy and detailed, but equally firm on the need for reform in the direction of land value taxation. And Ralph Nader's Tax Reform Research Group has generated several books, reports, and a newspaper called "People and Taxes" with editorial policies favoring land value taxation. Elsewhere, the union of conservationists, civil rights activists, and land value taxation advocates has been philosophically happy and legislatively productive. This resolution is one of the pay-offs.

WHEREAS, It is desirable to reduce urban sprawl and to conserve recreational, scenic, and arable land, the preservation of which is vital to the protection of the quality of life in California; and

WHEREAS, This could be more effectively accomplished if society were to achieve a greater compaction of its urban

areas through a more intensive utilization of undeveloped and underdeveloped urban site land; and

WHEREAS, By its very nature, the property tax, as it operates in urban core area, discriminates in favor of the preservation of old structures and against the erection of new structures and acts as a monetary inducement and encouragement to the residential and commercial development of low-cost, non-urban lands, and, therefore, to the aggravation of urban decentralization and sprawl; and

WHEREAS, Unrestricted expansion of urban population into the suburbs increases the cost of government, since the government is required to provide transportation, fire and police protection, education, sewage, water, drainage, park and recreation services, which are costly to provide and which often experience only partial utilization; and

WHEREAS, The development of low-cost land peripheral to urban areas tends to force assessors to increase non-urban land appraisals in order more accurately to reflect potential patterns of land use; and

WHEREAS, The impact of increased assessments of non-urban land generates financial pressures upon local government to modify or revoke land-use plans and restrictive zoning ordinances, and, as a consequence, to force farm land onto the market for real estate development and out of agricultural production; and

WHEREAS, The economic affluence of many families has created a rising demand for residential and recreational housing in areas normally reserved for

Who Said It?

In the August issue of the *News*, the School offered to give a scholarship to "Money and Banking" to the first person to identify the source of a quotation beginning "The Federal Government must and shall quit this business of relief..." Contestants' suggestions included Winston Churchill and Chairman Bill Buckley, but it was Jennie Mantione of Flushing, N.Y., who got it right first: Franklin Delano Roosevelt.

scenic and recreational purposes or for agricultural production; and

WHEREAS, The economic power of buyer-demand, when exploited by real estate promotion, poses a serious and growing threat to the state's limited and diminishing acreage of arable, recreational, and scenic land; and

WHEREAS, The economic forces of market demand and property taxation, by virtue of their individual and reinforcement effects, are contributing to the rising costs of local government, the decline of the core area of our cities, and the destruction of the quality of the natural environment through their encouragement of inappropriate uses of land, the nation's most valuable resource; now, therefore, be it

Resolved by the Senate of the State of California, That the Senate Committee on Natural Resources and Wildlife review the potential advantage to society of the utilization of land value taxation in conjunction with land use planning and zoning to achieve socially and economically desirable land conservation and land use.

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JACOB HIMMELSTEIN
137 UNION AVENUE
BALA, PA. 19004