

FIRING LINE:

Has New York Let Us Down?

This is a transcript of the Firing Line program taped in New York City on May 29, 1985, and telecast later by PBS.

Host: William F. Buckley Jr.

Guest: Roger Starr

Examiner: Mark Green

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MR. BUCKLEY: The most interesting and provocative book about the most important city in the Western world is Roger Starr's *The Rise and Fall of New York City*. It deals with problems that have made New York City uniquely sclerotic, but they are problems other cities run into in dealing with themes that plague the modern world, or at least that part of the modern world in which problems are settled other than by commisars.

Roger Starr graduated from Yale and returned to New York, where he worked for a number of years in his father's barge business. But he was always writing, and in due course, he slipped into public service mostly in the field of housing—I quote now from a biographical summary issued by Mr. Starr's own office: "Roger Starr, a native New Yorker, was a member of the editorial board of the *New York Times*. That means that he writes editorials and participates with his colleagues and their editors in the formulation of editorial policy. Most of his editorials concern New York City, its government and its life, but that does not mean that he is responsible for writing anything on either of these subjects with which this audience happens to disagree."

Immediately before joining the *Times* in January 1977, he was Henry Luce professor of urban values at *New York University* as a one-year substitute for **Irving Kristol**. Before that he served for nearly three years as administrator and commissioner of the *City Housing and Development Administration*, he has two grown sons, a granddaughter and a wife, he has written for many magazines, has no advanced degrees of any kind, and won an honorable mention in the Greater Miami Fishing tournament for a nine-pound bonefish caught on a fly. [laughter]

Our examiner is **Mr. Mark Green**, lawyer, author, head of the *Democracy Project*, about whom more in due course.

I should like to begin by asking Mr. Starr to talk about housing for awhile. What does a couple need to pay in order to rent in midtown Manhattan a two-bedroom apartment?

MR. STARR: Well, as of yesterday afternoon, I would guess that it's around \$2,500 minimum.

MR. BUCKLEY: How can they afford it?

MR. STARR: They can't afford it unless some business is paying it on their behalf, or unless they happen recently to have broken the bank at Monte Carlo or come into some other source of money. It's a terrible situation that we have here.

MR. BUCKLEY: Well, now, don't terrible situations of that kind have to come to a head? That is to say, by laws that govern all economic activity, either people stop coming to New York or else more apartments become available.

MR. STARR: Well, my great fear is one, that this will discourage precisely the people we need to come to New York to entrepreneurial roles or leadership roles in the headquarters activities which now constitute our main economic activity here. If that doesn't happen, we may suddenly have a decline in demand due to the fact that people will move out, that people who are living here just will be unable to afford my more and will move somewhere else. And of course we an artificial restraint on the market due to rent control, which means that nobody is likely to build a rental apartment house anywhere in New York City because of the fear that government is going to place an arbitrary limit on the extent to which rents can be raised to cover costs and so on.

MR BUCKLEY: I think in one of your other books I read that the average American allots approximately 18-20 percent of his income for housing. Is that correct?

MR STARR: Well, it's probably a little more today. Probably up around 20-22 percent.

MR BUCKLEY: Well, roughly speaking, though, I'd figure you'd have to make about \$130,000 to maintain that ratio if you were paying \$2500 a month.

MR STARR: And don't forget the taxes come off the top and you get no tax benefits.

MR BUCKLEY: And no deductibility.

MR STARR: Oh, well, deductibility is going to be a very serious problem—a very serious problem.

MR BUCKLEY: Well, let's explore this problem profoundly, which you do in your book. But you disappoint me by having one reference to **Henry George**, and rather tendential, actually—about how **Henry George**, well a priest who advocated **Henry George** was excommunicated for doing so. Why don't you first of all tell us who **Henry George** was and what his great thesis was, because I belong to that small band that continue to think that it is enduringly useful.

MR STARR: Oh, I agree with you very much. In fact, I won an award from the *HenryGeorge Institute* last year. **Henry George** was an American of a rather patrician family, as I remember. He developed the theory that the ultimate form of wealth was land, and primarily the locational value of land rather than ability to produce crops or its mineral resources.

MR BUCKLEY: Excuse me. I don't think he said the ultimate of wealth, did he? As I remember, what he said was the ultimate form of extortionate wealth, because tools are also a form of wealth and labor was also a form of wealth, but you could always have more tools and always have more labor, but couldn't have more land.

MR STARR: That's true. When I say ultimate, what I mean is nothing can take place economically without being based on land. And you could, depending on the kind of enterprise you're in, you could dispense with sewing with a sewing machine or a shovel or whatnot, but land you absolutely must have. And that therefore, if one taxed adequately—if government taxed adequately—the locational value of land, it was his theory that it would need no other taxes, and that by taxing the locational value of land, you would encourage people to develop the land, to improve the land, to build housing on the land, because this would not increase their taxes, but it would increase their return, and therefore, development would be encouraged very strongly.

MR. BUCKLEY: Okay, now if *Georgist* principles applied in New York, what would happen to existing relations of economic value?

MR. STARR: Well, it would seem to me that the central section of the city would be built up under much greater density even than it is today, and that the exterior sections of the city would also be built up, because building on cheap land would not be punished the way it is today. If you buy a piece of land for \$15,000 and put up an \$85,000 house, you now have to pay taxes on \$100,000 in valuation, whereas under the **George** theory, if all improvements were exempt from tax, you would still pay tax on the \$15,000, so you would be encouraged to improve land of very low value, or relatively low value. I think it would be a tremendous help.

MR. BUCKLEY: As I remember, a glaring example of this took place when the Seagram building decided as an act of public courtesy to leave a certain amount of blank space in front of their building so that people could stroll through a mini-park there and sit down, for which they had to pay a most terrible penalty, as I remember, because the assessor said that in effect they were really improving their own land.

MR STARR: The assessor said that they were economic creatures and that they wouldn't have left this land fallow, if you will, economically fallow, if it didn't increase the value to them of this beautiful building.

MR. BUCKLEY: Yes.

MR. STARR: And therefore, its advertising value became part of its constructional value and it was assessed. But I think that they finally won in the court of appeals. I don't remember what the final verdict—

MR. BUCKLEY: Yes, it got lost in one of those judicial mists, I think. But in any event, if **Henry George's** principles were introduced here, two things would happen, as I understood you. Number one, there would be a greater density of building in midtown Manhattan; number two, investors would be prepared to reclaim land because it would become economically viable to build on it knowing that they wouldn't instantly be taxed out of existence, right?

MR STARR: Right.

MR BUCKLEY: Okay.

MR STARR: Now, we developed some laws to sort of make up for our stupidity in not adopting the **Georgian** theory. We have laws with cabalistic names like J-51 and 421-A, which in effect exempt new construction or rehabilitation from taxes, and they've caused a great deal of conflict because one always argues over whether construction would have taken place without this form of assistance.

MR BUCKLEY: Enterprise zones and stuff like that.

MR STARR: Yes, and **Henry George** would have eliminated all of that and it would have been natural to exempt improvements from taxation and the whole system of penalizing someone for improving his property would have come to an end.

MR BUCKLEY: Now, rent control used to be unique, as I remember, to Paris and New York, but now it's spreading, isn't it? Washington has it.

MR STARR: In the short range, it's very popular because people think it's going to save them a lot of money in rent, and of course, it results in the decay of the buildings that they're living in.

MR BUCKLEY: It results in decay and results also, does it not, in a kind of paralysis of movement, as witness: I remember when I ran for mayor, Rosemary Gunning made a deep study of it—she was running for head of city council—and showed that a tremendous number of apartments in New York with four or five rooms were being occupied by a couple whose children had grown up and gone, but they were afraid to let them go because they couldn't get anything habitable as cheap, so a lot of those distortions descend on us.

MR STARR: Yes, and there's one other distortion, which is that it gives the tenant in residence a new right. He becomes a part owner, although he has not invested in the building, he has not purchased the building. The mere fact that he's been there and is entitled to stay there as long as the law lasts gives him a new kind of ownership and he has to be bought out. Now, to the extent that he is bought out so that he can relocate somewhere else, there is a certain fairness in that, but when it becomes extortionate as the last person in the building to move out, it's exactly like the last owner of land on a particular block who waits till everybody else has sold out and then he holds out and he makes a fortune out of it, and it's a distortion of the economics of land ownership.

MR BUCKLEY: Well, if you had plenipotentiary powers over housing in New York, what would you proceed to do?

MR. STARR: Well, the first thing I would do would be to provide for vacancy de-control, namely that when a tenant moves out of an apartment voluntarily—and I'd have strict laws against harassment—but when a tenant moves out voluntarily, that apartment would be de-controlled and it would rent for whatever the traffic would bear. The second thing I would do— and perhaps we'd disagree on this—but for low income people I would sponsor a very large, highly subsidized public housing program, using both old and new housing. I would try very hard to get the courts to recognize that a certain number of people simply cannot live successfully in an apartment house without destroying things for their neighbors and I'd once again make it possible for the Housing Authority to get rid of acutely troublesome tenants. That's a very important issue that no one wants to talk about because it's so unpleasant. I can't say it without sounding like Attila the Hun. But if you speak to people who live in public housing, their complaints about a small number of families who spoil it for everybody else is very serious. That means that some part of the city has to remain a permanently substandard place for people who really would rather prefer other values to the value of living in an orderly, bourgeois fashion.

MR. BUCKLEY: Yes, it's another metaphor for "You can't get rid of Skid Row and you shouldn't try to."

MR. STARR: That's right. Well, what we've done, of course, is to spread Skid Row all over the city.

MR. BUCKLEY: Yes.

MR. STARR: And we have now, if we look all over the city, we see people who have been released from mental institutions in the name of either economy or freedom. People can't make up their minds whether we've done it to save money or to give people their freedom to sleep under bridges. And the second thing that's happened is that land values on the Bowery have skyrocketed with the result that the old flophouses, where the Bowery people used to live have all gone out of business, they've turned into artists' studios and these people are now wandering about the city and they constitute sort of a moral reproach, a frightening spectacle to many, and they're one of the symptoms of what I call a loss of civility in this city today.

MR. BUCKLEY: Well, I think you're correct in that and in related charges that you make about New York City, but before we leave housing, it seems to me that your program doesn't really quite cope with the problem of people who are prepared to stay for the rest of their lives paying \$200 a month, say, for apartments that are worth \$1000 a month and have no intention whatever of moving. How could they be coped with?

MR STARR: Well, it has been suggested that they should be subject to a sort of buy-out provision. That owners should be allowed to buy them out at a stipulated price. It's a very complicated theory and I don't either subscribe to it or oppose it because I haven't thought through all the implications. I did have a theory for years and I think it's one that's particularly applicable to stores, that relies on matched leases. In other words, the owner can ask what he wants, the tenant can refuse and the tenant can stay—

MR. BUCKLEY: He can't eject him.

MR. STARR: —until someone pays what he has turned down. It's a right of first refusal.

MR. BUCKLEY: Right. So that would prevent the landlord from in effect blackmailing his tenant into paying fancier prices than in fact he could get.

MR. STARR: That last thing is the worst. The landlord gets rid of a tenant and then finds he can't rent the apartment at the price he asked the tenant, and eventually comes to a price that the tenant would have been happy to pay in the first place.

MR STARR: Right, right. Meanwhile, he was all convulsed.

MR. STARR: Right.

MR. BUCKLEY: Let me ask you this question, which people ask me from out of town, to which I have no satisfactory answer, which is almost unheard of. [laughter] Why don't the laws of arbitrage work in New York City? Why do people bid up on apartments \$2500 a month in New York City instead of spreading out to Queens and to Brooklyn and to New Jersey, eventually taking with them, in the fashion of **Jane Jacobs**, the stores and the opera houses and the baseball parks and so on? Why do we insist on this abstract concern with a few square miles in central Manhattan?

MR. STARR: Well, Bill, to some extent people are arbitraging, and one of the interesting phenomena which I discuss in the book is what the British started calling the gentrification of areas outside Manhattan. For example, it started in Brooklyn Heights, then Cobble Hill, Park Slope in Brooklyn, now the Fort Greene section of Brooklyn, Riverdale, and there are some glorious places in Queens that nobody seems to have heard about— —like Jamaica Estates and places like that.

MR. BUCKLEY: But I'm asking why haven't they heard about them, since it is the first law of economic movement that you inquire for alternatives to paying \$2500 a month for a two—room apartment.

MR. STARR: Well, you go out there today and you'll pay almost as much— —

MR. BUCKLEY: You will?

MR. STARR: Oh, you will. The prices have skyrocketed in these areas that are subject to gentrification. Now, these are always the areas that were originally built as one-family homes for the upper middle class of Brooklyn and Queens, and then when servants no longer became available, families gave up these buildings, they moved to country houses where there was oil heat, and the buildings were turned into rooming houses and now they're being re-gentrified into something approaching their original form by families, and it has become a very expensive form of living, but very nice. Very nice. And they rent out some of the upper story rooms, and this is happening in a number of sections.

MR. BUCKLEY: Well, why doesn't this affect the tension that you have just described? Is it because of rent control? That is to say is it because in fact people have developed means of getting around rent control by bribing management, real estate people—whatever—to get into a particular deal? Is that maintaining and subsidizing the synthetic quality of the situation here that you criticize?

MR. STARR: Well, you must understand that today when a rent-controlled apartment is vacated and the rent goes to market, then it becomes subject to another form of regulation called stabilization. So that's given a little bit of help and a little bit of movement. But we have lost a lot of people. They have moved out of Manhattan. The main problem, the main fear that keeps people, especially people from out of town who have daughters and sons working in New York, is the fear of transportation from the outer boroughs into Manhattan. They are afraid of the subways at night. It's one thing to ride uncomfortably at rush hour, but at least you feel safe. But when you want to stay in for theater and are faced with going back in a subway to Jamaica in the middle of the night, that's a daunting prospect for a great many people today.

MR. BUCKLEY: Okay, well, this might be a useful bridge into a subject that you speak very sternly about and that is crime in New York. It was generally supposed in the late '40s and early '50s that New York, as the sort of liberal cutting edge of municipal experience in America, would solve the crime problem in the sense that reason tends to solve the crime problem. If you educate everybody and you look after their most urgent needs, crime tends to diminish, and indeed it did diminish during the Second World War. Now, what happened?

MR. STARR: What happened was, I think, we got a new wave of arrivals in the city of New York, and every time you get new arrivals from rural districts or from another part of the world into a city—I don't care what city it is—you have terrible problems of adjustment—

MR. BUCKLEY: But New York was skilled in handling that problem. It had been for 100 years.

MR. STARR: But don't forget that between 1921 when the *National Origins Immigration Act* passed and the repeal of that act, or its amendment—

MR. BUCKLEY: In '65.

MR. STARR: —you had very little immigration into the city of New York. And the greatest movement you had was the movement of blacks coming in from the South. And they faced horrendous problems here in New York City. As I emphasized in the book, that while New York was a great city in 1946, it had serious blemishes, of which that was probably the most serious. They were subject to very severe social restrictions on movement, on housing, on where they could eat, on even buying tickets in the orchestra of theaters, a situation that people have generally forgotten about. With the arrival of this new wave of migrants after the war, you began to have a resurrection of crime, which was exacerbated by the disappearance of many of the employment opportunities that had been important for the, what you might call, the at-risk population—the young men who want to do hard work, who don't want to do servile work, who

used to work on the docks and used to work on the railroads and used to work loading the trucks and pushing the carts around in the garment district. Those jobs began to evaporate and disappear. And you had this growing difficulty. And you had something else which I want to stress because I think it's very important. You had the gradual diminution of the willingness by the elites of New York, the leadership people, to establish what constituted a correct code of behavior. Now, I'm not talking about law, because I don't think law nearly does the job.

MR. BUCKLEY: Prescription.

MR. STARR: Prescription. The institutions, where the informal teachers of what's acceptable conduct in a city, what works in a city, how to behave towards other people in order to get on in a city—

MR. BUCKLEY: The kind of thing that one associates with Oriental punctilio, in, say, Tokyo.

MR. STARR: Right, right. And the kind of thing that our churches used to do, our religious institutions used to do, the kind of teaching that the schoolteacher did for immigrant kids who came home and educated their parents on how to behave in an urban society. These authority figures lost their standing because we subscribed to the idea that we were raising consciousness rather than standards of behavior. And I think there is a very important distinction.

MR. BUCKLEY: Yes, you make a point that our friend the **Reverend William Sloane Coffin** would probably be more upset if one of his parishoners failed to denounce apartheid than if he practiced crime in the streets, which is obviously hyperbole, but it reaches out to what you're saying. The ideologization, really, of civility to the point of saying, 'It's not their fault. How would you expect them to behave?' and therefore kind of forbearance that that breeds. Is that correct?

MR. STARR: The ultimate condescension, it seems to me.

MR. BUCKLEY: Yes.

MR. STARR: And what it really is, of course, is a self-condescension, because the burden of moral leadership is imposed on the leader. Unless he is capable of an infinite variety of hypocrisy, he has to behave in some conformity with the ideas that he wants to inculcate.

MR. BUCKLEY: Well, what accounts for the disappearance of that breed—people like, say, **Mr. Robert Moses**, who, for all that he took certain shortcuts that we tend theoretically to disapprove of, nevertheless was a man who insisted on standards—right?—personal and civic. Why did they disappear?

MR. STARR: Well, I think first of all, the war and the rise of totalitarianism across the world scared New Yorkers and scared Americans and really frightened the whole structure of society. We began to believe that there should be no limits on liberty and insisted on testing our liberty to its limits. Now, whatever you test, Bill, you cannot identify its limit until you break it. If you want to discover how much of a load a steel beam will carry, there's only one way to do it. That's to load the steel beam until it breaks. And if people are determined to prove how extensive your liberties are, the only way to do it is to do things that are so outrageous that the rest of the society won't stand for it. And it seems to me that we adopted the theory that liberty should have no limit. And this is one of the ideas that has got my reviewers most upset, is my revulsion against nonobjective art. They say, 'What in the world has this got to do with what you're talking about?' Now, let me try to explain. One of the things that happens, that happened here, and it's sort of symptomatic of this confusion is our confusion of symbol and reality. I remember during the Vietnam years, people burned flags in public. And that's an offense. That's a federal offense. And

then it was argued by their lawyers in court that they hadn't really burned flags, what they had done was to utter symbolic speech—that the act was not significant, but that the act was a substitute for the word.

MR. BUCKLEY: *Malum prohibitum.*

MR. STARR: And that's got it backwards. That's got it backwards. The reason why we can be tolerant of what people say and should be tolerant of what people say is that we're dealing in symbols, not in reality. I can say that I dislike you immensely and get away with it. I haven't hurt you in a physical sense. But if I punch you in the nose and say, 'I didn't mean to break your nose; I was simply symbolically telling you that I don't like you very much,' that really won't do. And it's this particular confusion which it seems to me that nonobjective art gets us into. And let me just say one more thing on this subject—

MR. BUCKLEY: Take your time. I'm enjoying it.

MR. STARR: Good. We read recently in the *New York Times* a defense of the sculpture down here at the Federal Building, this steel fence that comes out from the Federal Building. There was a defense in the paper two weeks ago of this fence, which a lot of people object to because it makes them walk way around, out of their usual paths, and it's a work of art. It was paid for as a work of art, as an adjunct to the building. The defense was that this fence is stainless steel and it deliberately inhibits people from walking in a straight path because the artist's purpose is to show that a society which is technological and which devotes itself to steel inconveniences people, it thwarts their natural impulses, and therefore, this fence is a particular form of art.

MR. BUCKLEY: Sounds like an expensive lawyer came up with that.

MR. STARR: No, this was an art critic in the *Times*. It made me think, you know, of *Beethoven's "Pastoral Symphony"* where you have the orchestra imitate a thunderstorm. I said to myself, "Why go through all this of having a musical thunderstorm? Why not just turn on a hose and soak the audience and let everybody understand what it's like to get wet?" Well, the whole purpose of art, as I understand it, is to give people the feeling, the impression, the sensibility, the awareness of reality through the manipulation of something that is not reality. It's not to do the opposite. And this is a confusion we've succumbed to.

MR. BUCKLEY: Well, I don't think you mean to be saying, or do you, that all abstract expressionism is antisocial?

MR. STARR: No. What I mean to say is that those who have made it a fad—and this is what it's in some ways becoming—that abstract expressionism per se, but art that leaps out of the frame, art that enters the big world, art that bursts—

MR. BUCKLEY: Anarchic art.

MR. STARR: —anarchic art—is a sample of what I take to be a culture in which the sense of meaning and reality has been lost or is in danger of being lost.

MR. BUCKLEY: But we are properly struggling with metaphors, and it seems to me that the most conspicuous of them during the same period we're talking about is the failure to define pornography. I'm not saying that it's easy to do, but I'm saying that if you give up in the effort to define that which was intended to be protected by the First Amendment and that which clearly was not, the mere abandonment of that effort is an abandonment of any of those frontiers that you're talking about that regulate conduct or define civility.

MR. STARR: I thoroughly agree with you, and I think a certain amount of hypocrisy is essential in every society. A certain amount. There is a gap and there has to be a gap between the ideals by which it's claimed to inhibit our conduct and by the way we actually behave. But to give up on hypocrisy, to fail to recognize that hypocrisy is perhaps a minor virtue and not a major vice is, it seems to me, a terrible mistake, and it's a mistake that we're in danger of making. When I flip on channel *J* at 12 o'clock at night and get a lecture saying, "We don't want to put this on, but the federal government requires us to," something's gone wrong somewhere, in my opinion.

MR. BUCKLEY: Well, has what has gone wrong something to do with the castration of the democratic spirit? We are supposed to be a self-governing people. We know, for instance, that the overwhelming majority of the people don't want unbridled pornography. The overwhelming majority of the people are opposed to abolishing any form of prayer in schools. The overwhelming majority of the people are nowadays in favor of capital punishment. Are we going through a period in which, although people are willing to say the top problem in New York is crime, nevertheless we don't get a serious anti-criminal program in New York? What is that—

MR. STARR: Well, I think that we're in one of those periods in which the people who adopt an extremist position are the ones who carry the day, and those who would argue—

MR. BUCKLEY: They tend to be of the left, don't they? It's the left that seems to carry the day. I've heard extremist positions on the right, but I can't remember one for ages that has carried the day. I mean, unless you call Proposition 13 an extremist position.

MR. STARR: Let me try to think this one over. This question I wasn't quite prepared for. I do think that the notion of accepting an authority who has analyzed carefully the values involved in these decisions is something that we're afraid to do, because we're confusing authority with power. We think that authority is anti-democratic, when I think that authority exercised by people on the merits is really the essence of democracy.

MR. BUCKLEY: Well, is it correct to say that the plight of New York, as you described it in your book, is the result of civic demoralization?

MR. STARR: The plight is the result of a great many factors over which no one had any control: changing technology, population movements and many other things. But the worry that we will not be able to rise again through ingenuity is the product of my fear of our civic demoralization.

MR. BUCKLEY: I remember once discussing the traffic problem in New York with Mr. Moses. And he said—this was four or five years after he was pretty much retired—he said, "Well, you know 10 or 15 years ago when **Bill O'Dwyer** was around, we'd have met some night, us and the labor leaders and the representatives of industry, and he said, 'Now, look, you just can't unload trucks between 30th Street and 40th Street between dawn and dusk.' He said, 'That's the way it is. You just can't do it. And let's just agree that you won't do it so we won't have to go out and get a lot of fancy legislation.' That was his sort of approach, whereas at the time we spoke, which was 1965, the answer was that nobody could amass the kind of authority to effect something that everyone desired. And that's true all over New York, isn't it?"

MR. STARR: Right.

MR. BUCKLEY: Crime, literacy, civility, dirt. I can't think of anything in New York that has been successfully addressed during the past 25 years, even though I think the incumbent mayor is an able and certainly an enduring man.

MR. STARR: Well, I think that we have widely distributed veto power, and we have been very chary about giving anyone in authority the positive power to effectuate solutions.

MR. BUCKLEY: And there is no political movement, at least to which you draw attention in your book, that is distinctive in the sense that it wants to reintroduce these lost elements, is there?

MR. STARR: No. My best recipe in the book, or the one I stress is, that let's not try to do it through government, let's try to do it through mediating private institutions, either religious institutions, educational institutions, institutions that are normative in their character, because I, too, have a horror of government imposing standards of behavior and performance on individual people. Now, that doesn't mean that I support a lack of testing for particular jobs, but I'm talking about normative behavior. I wouldn't entrust that to government, I'd much rather entrust that to—

MR. BUCKLEY: To the Lord Spiritual.

MR. STARR: Yes.

MR. BUCKLEY: Well, let's submit to Mr. Mark Green. Mr. Green is familiar to viewers of this program. He is a graduate of Cornell and of the Harvard Law School, was associated for a number of years with **Ralph Nader**, has run for political office, has written a dozen books, is head of the *Democracy Project*, is coauthor of the forthcoming *The Challenge of Hidden Profit: Reducing Corporate Bureaucracy and Waste*, due in September. Mr. Green.

MR. GREEN: Thank you, Mr. Buckley. Mr. Starr, for those who tuned in late, let me remind the listening audience, the name of your book is *The Rise and Fall of New York City*. This led one reviewer—

MR. BUCKLEY: Did I call it something else?

MR. GREEN: No. I said the title hasn't been mentioned recently. Since I'm disinterested, I thought I'd plug your book for the following thematic purpose: A reviewer, **Joe Conason**, said of your book that it had a "sour candor," and I thought that ably captured the strength of the book, which is pretty blunt and candid, but also in my view, its weakness—its unrelenting pessimism, I thought, about our flawed but still vibrant city. Let me give you a personal example. This morning I left home at East 90th Street on the East River. We both live in New York City. And I passed by three 35—story apartment houses built within the last six months, ready for the \$2500 a month that you're saying. It seems like development is booming in New York, and it's not only in my area. I took a subway here, which is one of those new Japanese subways, graffiti-less, smooth, like out of the Washington, D.C., subway system. I emerged where I work, which is now off Union Square in New York City, around 14th Street, and while Union Square but a year ago was infested with drug addicts from other cities, it was now bulldozed over and now strolling Yuppies and people buying produce have populated it. Crime statistics, as you know, there is too much crime but it's gone down. And finally, the economy: You point out the deplorable fact that there have been 600,000 manufacturing jobs lost in our city in a decade. But the Bureau of Labor Statistics also says that there is a net gain of a quarter of a million jobs in New York City in the last seven years. That is, even accounting for the manufacturing loss, our unemployment has gone down— —one of 10 cities to do so. So my question is, did you think up the theme of your book, or more likely, finish the galleys of your book nine months ago before a lot of this data came in, and would you, if you could rewrite it today, mute at all the tone of what I call this unrelenting pessimism?

MR. STARR: Well, I hate to be so blunt, but I don't think I'd change a word, Mark. [laughter] And let me explain to you why. This city depended for its wealth—and it's tremendously important for a city to produce wealth—let's get that on the table first. If it can't produce wealth it can't take care of its social problems or any other problems. It had three legs, a tripos on which it stood. One was manufacturing; two was its heavy commerce and light commerce, but particularly heavy commerce; and three, its headquarters functions. Now we're depending entirely on the headquarters functions. I have lived since World War II through three waves of office building booms. Each one of them came to a peak when one person built one office building—

MR. GREEN: Too many.

MR. STARR: —too many. It's only five or six years ago that some of the most astute builders in New York had to drop office buildings at 44th Street and the Avenue of the Americas because they couldn't rent them. I feel— —

MR. BUCKLEY: This is happening in Houston, the same thing.

MR. STARR: Right. I feel that we are overestimating the ability of office employment to take care of our population.

MR. GREEN: Well, as always, the laws of supply and demand have an ebb and a peak, hut New York now is merely the world center of media, finance, business services and culture. It would be nice if we also had factories, but maybe the marketplace, which you usually look to for a solution, is saying, "If you want to live within Manhattan, if you want to work within Manhattan, the service sector may be booming, and if you want to work in a manufacturing job, maybe it should be in the outer boroughs or mid—state New York or New Jersey." Let me ask Mr. Buckley a question about this. It seems that Mr. Starr, who normally has a market orientation about remedies, is here deploring the evolution of the market in New York, which has led to more jobs, even though not blue-collar jobs. You work but don't live in New York, Mr. Buckley, is that right?

MR. BUCKLEY: Roughly, yes.

MR. GREEN: You still have jurisdiction to speak about it, since it's your show especially.

MR. BUCKLEY: Well— —

MR. GREEN: Does it bother you that the service sector is booming and supplanting the manufacturing sector in New York, or is that just economic evolution that is healthy for everyone?

MR. BUCKLEY: I would tend to say the latter. The same thing is happening in Singapore and in Hong Kong, where I don't see much manufacturing going on and it hasn't seemed to damage their overall productivity. I do think, though, that the point that Mr. Starr has made is that there has been a frustration of the market function. You can't simultaneously have a market function and rent control, for instance. And there has also been a frustration with the political function. On the one hand, we have a felt desire for protection against criminals. On the other hand, we don't get that protection. So there is something short-circuiting the popular will and the responsive political mechanism, and we don't know what it is.

MR. GREEN: So Mr. Starr, let me follow your— —

MR. STARR: Sure.

MR. GREEN: Your bluntness was only consistent with the bluntness which is the strength of your book. You really wouldn't add to your book the fact that when you said we lost 600,000 jobs, you wouldn't overcome your omission, that in fact we've added a net quarter of a million jobs? And would you still maintain that our subway system may—the last words of that chapter were—collapse, in effect, bog down day by day? Because it seems like we're in the middle of a \$10 billion reconstruction plan that is partly working.

MR. STARR: Well, it's about \$7 billion, and the latest report on it, which my newspaper had on its front page only on Monday and yesterday, indicates that the reconstruction is not just that of supplying the new cars that you see, but of the roadbed, the tunnels, the whole system by which the—

MR. BUCKLEY: You're going to use that terrible word, infrastructure.

MR. STARR: [laughing] I've avoided it.

MR. BUCKLEY: [laughing] I noticed you were trying real hard.

MR. GREEN: As sets turn off around PBS. [laughter] "Infrastructure." Click.

MR. STARR: It's still in very sad shape. Now, let me say something else, that this subway was built—or these subways, because two of them were built by private enterprise with government loans—

MR. GREEN: Right.

MR. STARR: —and the other was altogether built by government—were built with the resources of the city of New York itself. We didn't need federal intervention, we didn't need any of the help that we now turn to Washington for.

MR. BUCKLEY: I might add, if I may, at a time when 80 percent of the American people lived below the then-equivalent of poverty line.

MR. STARR: It's very true now that, of course, the federal government takes a large part of our wealth to support programs outside New York City, but the fact remains that today we're faced with the prospect of getting from our own efforts the money that's necessary in order to do this. Now it's one thing to say that the dress business belonged in New York City. You had a unique labor force that could manufacture the dresses; you had people with the entrepreneurial spirit; you had all kinds of things going for it. A central market that was then close to the center of population of the United States. All of a sudden that is lost and you lose that business. What I'm worried about is losing lots of the office business. I think some of it has already moved to North Dakota.

MR. GREEN: Right.

MR. STARR: Every month I get a bill from a different city somewhere in the South, from which Saks Fifth Avenue or Bloomingdales now does its bills.

MR. GREEN: Yes, I'm also worried about the potential of losing it, although in the last seven years we've really gained it. Let me ask you just one question.

MR. BUCKLEY: Well— Okay, go ahead.

MR. GREEN: ——about what I'm calling your pessimism. In your book, you said that developers have a sense that they're mistreated, and one was quoted by you as saying, "I feel like I'm a criminal in this city." If developers are looked on as criminals and if the city is near collapsing, as the title and the theme of your book is, why are developers doing so well? I'm not against developers doing well, before Mr. Buckley bites my ankle, but the question is, it's booming, they're doing well, they're putting up buildings, so how is that consistent with "our theme that developers are looked on as evil and the city is collapsing under then. Isn't that a contradiction?"

MR. STARR: Well, you'll notice that very few of the developers are putting up rental apartment houses. You made the statement that you passed three 35-story buildings—

MR. GREEN: All rental apartments.

MR. STARR: All rental apartments. That is most unusual, because most of them are condominiums and cooperatives today. A very, very small percentage of the apartments that are being built today are being built for rental. The long-term commitment isn't there. They want to sell out and not be here. Many of them are turning their buildings into cooperatives.

MR. GREEN: Mr. Starr, before the program, yesterday, you told me that one of the themes of your book is a criticism of elites in our city. What I found is a strong criticism of the liberal labor elite of our city. And so you hosed down pretty good—we say in New York you *spritzed* pretty good—**Councilman Jerry Nadler**, the *ACLU*, Reverend Sloane Coffin. You never mentioned in your book, though—let me rephrase that—you mentioned only in passing the commercial elite of this city: **Rupert Murdoch, Roy Cohn, Harry Helmsley, Donald Trump**. I would think that those four people, just as representatives, have an awful tot of influence on the design and future of our city, far more than Nadler, Coffin, the *ACLU*. Why the comparative omission of the commercial elite, who make an awful lot of the decisions, even if they are not the government, and do you think that this commercial elite as I'm describing it has helped or hurt the city?

MR. STARR: Well, let's examine that, because I think it's a very interesting question. I don't know exactly what you mean by commercial elite. Harry Helmsley is a real estate developer, and so today is Donald Trump, although he owns some sporting activities. Roy Cohn? He's a lawyer; I don't know what else he does. I really don't know him.

MR. GREEN: Really?

MR. STARR: But if we're talking about the commercial elites, we must be talking about the dress manufacturers, we must be talking about the people who are in the beer business, we must be talking about the big department stores, we must be talking about those big commercial enterprises which were characteristic of New York. And on my time, I couldn't sit down and write you a list long enough of the major department stores that have gone out of business, of the dress businesses that have gone, of the commercial enterprises—not only manufacturing, but as well commercial and marine, which is a field I happen to know something about—that have simply disappeared.

MR. GREEN: Well, I agree with you. The reason you're not mentioning the business leaders of the industries that have disappeared is because they have disappeared. But the people I mentioned and others you could mention in the banking and financial community, I don't say they're good or bad, but they're very influential in our city. And it seems to me your book criticized one elite: the more visible and the much less powerful elite than those people whose financial judgments affect the design of our city. Mr. Buckley?

MR. BUCKLEY: Well, maybe because they're blameless.

MR. GREEN: Do you think that's the reason you omitted then?

MR. STARR: Well, I'll tell why I'm amused, why I'm smiling, Mark. It's because each particular elite considers itself to be impotent in comparison with all other elites. My view is that the liberal elite sets the tone of much of the political and civic life that takes place in the city of New York and has a power that I could demonstrate—

MR. BUCKLEY: Of course they do. *The New York Times* editorial page, the *Village Voice*, *New York Magazine*, that's where you look for the kind of opinion that's trendy—

MR. GREEN: Boy, the *Voice* will be flattered by their inclusion.

MR. BUCKLEY: Well, by and large, it's correct.

MR. GREEN: Without being able to debate it, Donald Trump, I think—for good or ill—has far more power than Councilman Jerry Nadler, and so in terms of— Blame isn't the issue. The issue is effect. And I don't think you were even-handed in your critique of elites, because you said to me that your goal was to critique the elites of our city, and it seems to me that you looked at one without ever mentioning—I mean, ever mentioning—the other.

MR. STARR: Well, you know real estate people go up and down—

MR. GREEN: Most of my family is real estate people, so this is not a cranky comment.

MR. STARR: No, some real estate people only have to make one big mistake and then they are no longer real estate people. They—

MR. GREEN: They retire.

MR. STARR: The cultural elites in this city, it seems to me, are almost a permanent fixture. I know people who write about the permanent government of New York City. In my view—

MR. GREEN: You mean, **Jack Newfield's** comment.

MR. STARR: —the most crucial permanent government in New York City is the cultural government of this city, and I find this a really fascinating phenomenon.

MR. GREEN: Including the *National Review*, obviously. Let me ask Mr. Buckley a question about—do we have time?—

MR. BUCKLEY: We have two and a half minutes.

MR. GREEN: You criticized so-called progressives—that's your phrase—who are upset that there are giveaways to developers, arguing that the developers would have done it anyway, and your point, a well-taken one, is "Who knows?" But do you think there are sometimes giveaways? A waste of scarce tax revenues to people who would otherwise develop. Let me put it to Mr. Buckley and then ask you to comment. There is a thing called bidding for business. You and I would agree that product competition is terrific—lower price, higher quality. What do you think? You are a free market-oriented person. What do you think about location competition? Corporations are mobile, they can go around the country; cities are static, and when corporations play those cities and demand what could be called pejoratively tribute to move into your city, I

think with the result that cities have to pay more tribute with taxpayer subsidies to get businesses to come in. There is a net loss to the economy. There are no more jobs created, because they have to locate somewhere. Do you think this city has been occasionally guilty of giveaways to companies to locate here and that this doesn't help the economy?

MR. BUCKLEY: I think this city has been occasionally guilty of everything, Just to begin with. In the second place, the locational problem is, of course, easily solved by any *Georgist*, and I am one. It would simply go to the highest bidder. I, 40 years ago, came out in favor of auctioning radio and television channels rather than simply lending yourself into a situation in which favoritism has to play a part. If you and I both contend for the right to build in a particular corner, the market solution is whoever pays for it most ought to prevail. But by the same token, we have to recognize that there are political entities with which we have to deal. I know an otherwise utterly honorable person who bribed a labor union here. Otherwise he simply would nor have been able to get his building up in time to—

MR. GREEN: But your answer is off the point. The radio and television spectrum is scarce. You can't have too many. So I agree with you that we should put them up for auction— —

MR. BUCKLEY: So are locational advantages in New York City. So is— —

MR. GREEN: No, the Saturn plant can locate in 20 states, and the issue is, what state gives them the most tax revenues to bribe them to come in. It's not a productive competition. Don't you agree? It doesn't produce any wealth. It just shakes down cities like ours for our tax dollars. Are you worried about that at all, Mr. Starr, because, again, you didn't mention it?

MR. BUCKLEY: Again, the enterprise zone idea, sure.

MR. STARR: I would much rather have businesses compete on the basis of what location is not only cheapest originally, but nearest to the raw materials and nearest to the market—

MR. GREEN: Exactly.

MR. STARR: —and nearest to the transportation. But I would question your statement that developers have been given unnecessary benefits. Let me point out that when Donald Trump was given the benefits that he used in order to turn the defunct *Commodore Hotel* into the *Grand Hyatt*, no one else moved forward. No one else wanted it. No one else would touch it. The development of this, which with temporary tax concessions, which **Henry George** would have made automatic, made the resuscitation of that area possible.

MR. BUCKLEY: Thank you very much, Mr. Roger Starr, author of *The Rise and Fall of New York City*; thank you, Mr. Mark Green; and thank you, gentlemen of Regis.

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