

The City—Will It Be Revolutionized?

BECAUSE IT WAS "VIRTUALLY IGNORED by most daily newspapers,"¹ a significant passage from President Johnson's recent message on cities, housing and urban redevelopment has certainly escaped the attention of many Americans. The passage reads as follows:

"Few factors have greater impact on cost, on land speculation and on the ability of private enterprise to respond to the public interest, than local and federal tax policies. These, too, must be examined to determine how they can best serve the public interest."

It is noteworthy that the President recommended "establishment of a Temporary National Commission" for the purpose of studying taxation as it relates to housing. He suggested that the commission "may emerge with ideas and instruments for a revolutionary improvement in the quality of the American city."

Our contemporary system of real estate taxation, by which land and buildings are taxed at the same rate, punishes with increased taxes any owner who improves his building or buildings. It rewards with lower taxes the owners who allow their buildings to become slum-like, and taxes lightly also the land speculators who hold needed land out of use for years and even for decades. Hence, we have relatively high cost of rental housing, high cost of becoming a homeowner, blighted business districts, slums, urban and suburban sprawl and entirely unnecessary burdening of federal taxpayers for subsidized housing and for slum clearance.

The quoted passages from President Johnson's message are indeed encouraging in view of what they could mean to the future of America and to the future of private enterprise in a world that has become increasingly communist. Yet to the best of the authors' knowledge, President Johnson is the first of our presidents² to show awareness of the nature of the problem. If during his administration, a substantial beginning could be made toward the tax reform that is so desperately needed, it would be a greater accomplishment than that of any administration since the abolition of chattel slavery. It would be a greater achievement than anything else he could do, other than, perhaps, ending racial discrimination. And indeed, without this tax reform, Negroes

¹ See, for this and the President's statements, *Labor* (editorial), March 20, 1965.

² Franklin D. Roosevelt's national commission on urban land policies, of course, recommended the differential taxation of land and buildings but the President did not take up the issue.

will continue to suffer, probably more than Caucasians, from our present policy.

How are we to account for the fact that, as noted in the March 20 (1965) editorial in *Labor*, this dramatic—and basically most important—section of the President's message "was virtually ignored by most daily newspapers?"

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