

# America's Slum Problem

**D**URING the last year or two, and particularly in recent months, a spate of newspaper articles and editorials on the problem of slums has appeared in the American press. They seem to have been inspired very largely by the lead given by *House and Home* magazine and the *Journal of Housing* and by the new Chicago assessment system.

In North Carolina, the *Charlotte Observer* editorial was headed: *The Slumlords Fatten On Grief*. "Urban slums," it declares, "are a cancer on the civic conscience, and hence indefensible."

The *Providence Evening Bulletin*, Rhode Island, asked *Why Should Slums Be Profitable?* It commented: "Slums are costing the nation's cities untold millions, and yet they are a source of lucrative income for those who put a dollar gained from human degradation above any twinges of conscience . . . As long as a profit can be made, slum-keepers will continue to milk run-down properties . . . They will continue to let the fellow who keeps a decent dwelling pay the tax bill to provide the more costly services—police, health and welfare—which slums require."

Judging from the clippings we have seen, American newspaper editors are not yet ready to recommend that buildings of every kind should be tax-exempt, and that the municipalities should derive their tax revenue exclusively from the site value of land. But they are beginning to recognise that the cause—and cure—of slums is to be found principally in the taxation system. They are helping to create—perhaps unwittingly—the enlightened public opinion which will bring land value taxation into the political arena.

The force and logic of events will, in time, bring a general realisation that wrongful taxation is the cause of other social and economic problems which perplex and afflict society. From there it is but a short step to realising that a just and scientific method of raising public revenue from a tax on land values is the first and greatest of all reforms.

America's concern with the slum problem should disabuse those mendicants and "do-gooders" in other lands who think of the U.S.A. as a paradise flowing with milk and honey. There are "backward" and "under-developed" areas in God's Own Country as there are in Africa, Asia and elsewhere.

It is fashionable—and, to some extent, true—to say that conditions have changed since Henry George wrote *Progress and Poverty*. Yet, despite all that has been done during the past eighty years, there are in the States today people living in conditions inferior to those enjoyed by livestock. As they drag out their pitiful lives, labour and capital is dissipated on producing and storing unsaleable food surpluses—another aspect of a wrongful taxation system which panders to the land monopoly.

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**Christian Science Monitor editorial, November 10.**

**C**HICAGO'S SLUMLORD TAX. American cities have tried many ways to protect tenants and the public in general from the callous operations of slum landlords. But none is likely to prove more effective than a long-discussed Chicago tax measure now going into effect.

Its idea is simple. Slum properties are to be assessed, for realty tax purposes, on their income-producing capability rather than on their physical condition. According to a survey made for *House & Home* magazine, this will mean a quadrupled tax bill for a typical tenement owner.

At first glance this would appear to punish the unscrupulous slum profiteer without necessarily doing the tenants or public any good.

But consider this example: Under usual tax procedure responsible Landlord A pays out of receipts to keep his property up. It is assessed higher. He pays high taxes: gets less profit. Profiteering Landlord B lets his property run down, keeping most of his rental income as profit. His assessment drops as the buildings decay. His taxes go down.

Under the new Chicago assessment system, it is to the financial advantage of the landlord to keep his property up. He is not penalised with higher taxes for doing so. Nor does Landlord B gain by letting his property decay.

Such measures must be carefully worked out. But when they are they benefit, rather than harm, the system of responsible private property ownership. It is the slum profiteer whose operations expand government participation in the housing business. Curbing his activity curbs the need for more public housing.

**From Barrons, November 16.**

**N**EW YORK City's planners last week unveiled a huge programme for building elevated highways across Lower Manhattan. The price tag of the scheme is \$83 millions, including \$36 million for land acquisitions. City officials expect the U.S., under the national highways programme, to pay 90 per cent of the cost, or all of the construction and nearly 80 per cent of the real estate purchases.

The plan ties in with an observation by Robert H. Schooll, vice president of Esso Standard Oil Co., who addressed the American Petroleum Institute on the subject of highway construction. Mr. Schooll is "astonished at how much money now is being channelled into astronomically expensive urban road building schemes." He quoted approvingly a statement by Rep. Baring of Nevada: "The President warned against expensive real estate deals, and still that is exactly what is happening today. That is where the money has gone."

Obviously, projects like the New York City downtown expressways will be managed so as to permit the municipal authorities to bestow federal funds generously on property owners.