



URBAN RACIAL GHETTOS

CONTRASTING APPROACHES

By Peter Rhodes

"Such an approach . . . presupposes that the minorities must be kept 'decent but distant', with handouts in cash or in kind."

INDIVIDUAL LIBERTY and a free society are endangered by so-called fair housing laws, said attorney Everett R. Trebilcock at the 58th Annual Convention of the National Association of Real Estate Boards in Chicago. "When the seller or rental owner of real estate is compelled to sell or rent his private property to a Negro without regard for the impact which such may have on his white buyers or renters constituting his market and without providing any means of compensation for loss visited thereby, this . . . is wrong legal policy and morally indefensible. Plain justice requires that such a seller or renter shall not be subjected to the risk of financial loss at the hand of government.

"Overriding by force of law any conflicting sensibilities, loyalties and concerns which a seller of real estate may have for his neighbours and friends in the disposition of his private real estate is unfair in that it makes a concerned seller the unwilling instrumentality for visting hurt, fear and disquiet upon those for whom he feels concern. . . .

"Realism would indicate that fair housing legislation is but a precursor of ever more drastic and efficient legislation for coercing an unwilling white majority to accept integration of the Negro into private life."

To any open-minded person, these forthright views will probably be received with mixed feelings. On the one hand, sympathy must be given for those who might be forced by legislation to enter into contracts which they would otherwise not consider. On the other hand, few people would have much sympathy with an estate agent's plea to maintain property values as a barrier to racial integration.

Mr. Trebilcock continued: "In the climate of our times one who questions or objects to legislation designed forcibly to abolish or lessen racial discrimination in private life is frequently declared a racist . . . This attitude is regrettable for it completely distorts the concerns and motives of many Americans holding moderate views, who while opposing these housing laws, regard inter-racial living as neither sinister nor undesirable, provided it is accomplished by voluntary and conciliatory methods.

"If individual freedom is worthy of preservation it behooves all Americans to mark well the distinction between public and private affairs, and sparingly to employ the force of law to coerce human conduct in the latter area."

The whole question of racial integration is a complex and emotional issue on both sides of the Atlantic. It is a

problem with many sides and is acutely felt in urban areas as distant and different as Notting Hill and San Francisco. Here is a comment from a recent editorial in the American *Life* magazine:

"The city is also replacing the South as the arena of our No. 1 domestic problem, that of Negro rights. Indeed the two problems are coterminous. The problems of the city—from crime to "slurbs"—are not only all interrelated with one another and insoluble in isolation but are exacerbated by their omnipresent Negro dimension. Negroes are the most rapidly growing segment of the population in our central cities; they are fast supplanting middle-class whites as the latter move to the suburbs; many big cities may soon have predominantly Negro municipal governments. Since Negroes are only 10.7 per cent of the national population, their lopsided overconcentration in the central cities, whether good or bad for the Negroes, certainly renders the cities less representative of the American people as a whole. Thus city problems and the Negro problem are inseparable. But in trying to solve both, which do you put first?"

While, of course, the coloured citizen's place in urban society depends upon factors of employment opportunity, education and communicative ability, and social opinion, there is no doubt that the way in which he is obliged to live in many places helps little to further his advancement. The poverty problem, reinforced and emphasised by an acute housing problem, must be attacked at its roots.

The alternative solutions to the latter put forward by Mr. Trebilcock and the *Life* editorial contrast sharply. The former considered: "If the primary purpose of the [fair housing] legislation was to afford the Negro a greater supply of quality housing, such could be accomplished without abridging the right of free decision on the part of the sellers and rental owners of real estate by the expenditure of public funds for this purpose and the enlistment of private capital to augment the housing supply to meet the demands of minority groups for housing."

Presumably what is in mind here is a massive programme of direct aid, to construct publicly segregated projects from tax receipts. Such an approach can hardly be conducive to voluntary integration, for it presupposes that the minorities must be kept "decent but distant," with artificial handouts in cash or in kind. Such policies must increase tension and further undercurrents of unrest similar to those in Rhodesia and South Africa.

The *Life* leader says: "The Negro ghetto is no place

for a good life. It is the shame of the modern American city. It has bred seventeen serious race riots in the past two years. The underlying cause was the despair of the Negroes, their belief that white society will always lock them in a separate ward and status; and this belief can erupt in violence again at any time.

"The margins of this problem have been nibbled at by many studies and expensive experiments, government and private. But none of these experiments is on a scale large enough to make much difference. Nor is this to be expected until white society decides in its heart that the ghetto must go."

The *Life* article, however, did not leave the problem at that. Considering possible improvements in municipal finance, it stated: "But the basic reform is essential sooner or later. And the cities can make a start on it by restudying their own chief revenue source, the tax on real estate. Land in this country is grossly undertaxed. The improvements on it are overtaxed. The social effects of this distortion are deplorable. The fact that an improvement leads straight to a higher tax assessment is the reason why slum landlords find it more profitable not to improve the buildings on their overpriced, undertaxed land. The profit motive is 'harnessed backwards' and given a tax incentive *not* to

eradicate slums. Landlords who permit their property to deteriorate are rewarded with lower assessments.

"Rewarded also by this tax system are the speculators who, because of low land taxes, can afford to hold land out of use until the city's growth forces up its price. . . . Lower taxes (if any) on improvements and higher taxes on idle land would induce a more efficient use of all urban and suburban land. Such a reform, says Professor Mason Gaffney of the University of Wisconsin, 'should enable many families to enjoy low-density living much closer in to the city and so save the millions of hours wasted driving home past vacant or semi-vacant lots.' Such land should either be taxed into productive use or seized for parks and greenbelts."

It is here that we find a fundamental and sure approach to the urban problem. While land-based taxes will never rid the city of its ghetto problems overnight, or convince racial extremists of the need for integration, they can at least help considerably to tip the balance. The effect of shifting tax burdens from wages, profits, and investment on to the shoulder of land rentiers would be of considerable benefit to minority groups. Given fairer chances to get off the slum rent rackets the minorities could embark on a progressive course of self-help and further education.