

Urban Renewal in Great Falls

by RUSSEL CONKLIN

I BELIEVE in the school, but I also believe in public propoganda, because politics is news. In Great Falls single tax means Russ Conklin. I take an active part in the Democratic party, in city elections, in the Chamber of Commerce. My work as auditor takes me into all the county offices. I think, talk and write land tax all the time, stirring things up as best I can—and I enjoy it.

Great Falls, the largest city in four states, is one of the younger cities in Montana. The founder and first mayor was Paris Gibson, a close friend of Jim Hill, who brought the Great Northern Railway west from St. Paul. He selected a gently sloping area of land, laid out the streets and planted trees along all the wide avenues. The nearby falls early furnished the power by which the Electric City has become one of the best lighted towns in the West. It is surrounded by some of the finest wheat farms in Montana and is a natural market for cattle, sheep, lumber and mining. It has enjoyed steady payrolls; wages are good and prices are high. The town should be prosperous, but it is not.

The realization of our distressed condition started with a series of articles on blight and deterioration written by our local political reporter last summer. The stories were well illustrated with pictures of run-down shacks and empty buildings. Seems there were 100 vacancies right downtown! The afternoon the first article appeared I delivered a three-page letter in person to the reporter, calling attention to the cause of blight and deterioration and accusing the newspaper of getting ready to come out for federal urban renewal.

Sure enough they did. At the end of the series of "blight" stories an editorial

appeared calling for federal aid. I flooded the paper with letters, but they quit printing them. I could see I was blocked and started on a new tack. I joined the Chamber of Commerce, got on five committees, and bombarded the members with letters and Georgist material of all kinds. I got reprints of articles about the failure of urban renewal in other places and kept calling attention to the vicious cycle: first the purchase of blighted land at current or speculative prices, then the razing of sometimes sound building structures, then resale at reduced prices to new owners, next new buildings at higher rents and relocation of former tenants, re-investment by the subsidized landlords in another part of town, then the wait for new slums to develop until old UR comes around again.

We haven't got it yet; I predict we won't get it; and we've heard no more about it from our lady mayor, who had formerly opposed it but used it as a good election gimmick.

Every meeting I attended was filled with discussions of what we have to do to get this federal money. Nobody talked about what caused the blight in the first place, that is, nobody but me. I kept right on telling my story about a better way, and finally people began to agree that it was wrong that taxes should be raised every time you improve your property.

To get people to understand the principle and idealism involved in the taxation of land values is almost impossible, but nearly all persons understand when the idea of increased taxes for adding a new room or building a garage is presented because they have had the experience and it directly affects their own pocketbook. This is why it is easier for me to reach many people through

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speeches and letters to the editor than through economics classes.

Present property tax practices are an effort to make the property tax an income tax. Assessments by the land classification office in Great Falls are based, not on the rental or sale value of the property, but on the basis of profits or rents the property is now producing. Hence, if the building is empty, the assessment of both the building and the land it occupies are lowered, to be raised again as soon as some enterprising businessman starts a new store in the vacated building. This is called "harnessing the profit motive backward."

Recently I was asked to speak again to the local society of Certified Public Accountants, of which I am a member. Accountants seem better able to understand the difference between land and other forms of property than most groups, because of the element of depreciation. All accountants know that land does not depreciate, but that all other forms of property do. A house that is depreciated over 50 years is gone so far as value is concerned, but it has been paid for again through taxes. The owner has paid twice and has nothing left. Meanwhile, the land has probably increased in value many times and it is still there. Because accountants understand this distinction it is fairly easy for them to understand the justice of taxing land values. Two members of the Great Falls association took the course in economics and one other became an enthusiastic Georgist from reading *Progress and Poverty* after

my talk to the group three years ago.

I also made a recent speech to this group about county business. It is sometimes difficult to convince people that poverty exists, although we have landless Indians living in squalor without water or sanitary facilities in floorless wooden shacks at the very edge of town—three colonies of them, and there are dilapidated shacks with outdoor toilets in the shadow of the central business district. But the real measure of poverty is the welfare rolls. As County Auditor I examine all county funds and expenditures. The County Poor Fund is the largest fund we have, and it is constantly growing. Nobody actually starves in America, but the welfare rolls paint a vivid picture of the misery that would result if the dole were discontinued. Idleness and unemployment have contributed to giving Great Falls the fifth highest crime rate in the nation, a distinction of which we are not very proud.

Simultaneously we are told daily that we are in a period of prosperity and that we have a real problem of poverty. The title of Henry George's book describes the nation today, and our little western town is no exception.

Downtown Great Falls is in an extremely distressed position, yet the city is growing. Our bank debits are bigger than ever; our population has increased 15,000 since the last census. Still no improvements have been made in downtown buildings. If ever a community needed the benefits of land value taxation, ours does.