

"Moment of Truth"

ALEX J. Duris of Hendersonville, North Carolina has started a weekly series of articles in the Western Carolina Tribune. In the first on January 7th he revealed a "Moment of Truth for Downtown Hendersonville." A certain threat has been hovering over the central business core for several years, he says. It is only recently that the point of no return has loomed on the horizon, with each day bringing it closer. More than 20 downtown business locations are idle and clearly things are not as they should be. Old buildings along the main street look like specters of the past, despite feeble efforts to glamorize them.

It is gradually becoming apparent, he states, that the gray areas in Hendersonville and other cities, have been caused by wrong taxation. People have been "fined and penalized" for attempting to improve their property, create jobs or beautify the premises in any way. Tax gathering agencies could hardly wait for the contractor to turn the keys over to the owner in order to descend on the unfortunate enterpriser to "fine him with taxes for his new building or factory."

Meanwhile, the lot across the street might be empty or filled with cans, bottles, paper cups, discarded tires and a profusion of weeds. Its owner might protest to the tax collector that the lot is producing no revenue and he needs to have his valuation lowered—naturally he doesn't want to pay high taxes on an idle eye sore.

The good hearted tax collector, thinking it over, agrees that he has a point and acts accordingly. Little does he realize that he is "contributing to a vicious cycle in which the thrifty and energetic are penalized for their

efforts to improve the lot of their fellow men, while the shirker is rewarded for cluttering up the landscape."

Let somebody come along, however, and look at the weed and trash filled lot with the idea of building there, and the value of the lot may suddenly leap from \$1,000 to \$5,000 or more.

This is more than the prospective improver can pay, so he abandons the hope of developing the lot, or moves further out to a cheaper but less desirable location. The owner of the idle land has failed to make a sale and the prospective builder has to be satisfied with something less than adequate, so neither benefits properly. The lot holder hopes as long as realty values increase that he can make a "killing," but when prices level off and eventually decline, he is left with his weed filled lot because the new builders have found cheaper land in an outlying section.

And those who remain in the declining downtown area are increasingly hard pressed, as well as depressed. Under present tax policies, if they attempt to upgrade the area and salvage it for the community they will be visited by the ubiquitous tax collectors who always penalize them for daring to try to improve the appearance of their homes or businesses.

Some owners would indeed like to enlarge or modernize their properties but the threatened tax increases frighten them off. Is there any hope for them or for others who would like to rebuild or beautify the decaying section? Yes, there is a hope (and here he keeps his readers cliff-hanging until the next installment).

In a long two-column letter to the Calvert Independent, Robert E. Allen, Jr. of Huntington, Maryland, presented the following counter proposal following an exchange of letters to the editor by other writers who urged civic reform:

"The socially created increments in land value can be used in two ways. (1) They can be used to further enrich an already affluent propertied minority, or (2) they can be used to expand the consumer buying power of a large proportion of the population by paying for the construction of public works and for public services. With each increment in population, there is a corresponding increment in socially created land values. This socially created income provides a completely natural source of public income to use in paying for public goods and services — schools, parks, police and fire protection, administrative expenses, and so on.

"In particular, I would use this income to pay for public services to three groups that are not part of the working force — youth, the aged, and the disabled. The needs of these people are growing in volume as the period of education extends over more years and as the span of life lengthens. Financing schools, hospitals, park, playgrounds, and basic scientific research out of socially created land values would not only meet these needs but would provide employment, and hence buying power, for millions of trained workers—teachers, doctors, nurses, superintendents, managers, scientists and others.

"This double benefit could be financed as I have outlined without burdening the economy or increasing the prices that consumers pay for anything. I would tax only the land, not the improvements on it, for they are not socially but privately created values, and the productive use of land is to be encouraged."

FRINGE BENEFITS FOR MEMBERS

A new brochure describing the Henry George Birthplace in Philadelphia is being sent to Affiliate members of the school. This is available free on request from The Henry George News, 50 East 69th Street, New York, N.Y. 10021.

Judge John R. Fuchs of New Braunfels, Texas, was interviewed recently by the San Antonio Express, and made clear his stand on land and taxation. "The right to the land is one of man's inalienable rights," he said, and he castigated our tax system for making no distinction between land and the fruits of man's labor. Judge Fuchs has campaigned half a century for land value taxation. This interview is being reprinted and is also available on request from The Henry George News. Affiliate members (contributing dues of \$5 a year) receive this and other interesting reprints automatically.

Two changes in the neighborhood of the Henry George School in New York leave things pretty much as they were, at least to outer appearances. The former Soviet U. N. Mission building (our former "backyard neighbor") at Park Avenue and 68th Street, had been bought by a builder and was to have been demolished to make way for an apartment house. Demolition had actually started when, at the last minute, another neighbor, the Marquesa de Cuevas (the former Margaret Rockefeller Strong, granddaughter of John D.) bought the building and presented it to the city, with the purpose of saving the fine example of Georgian architecture. Its future use has not yet been determined.

The building at 52 East 69th Street, next door to us, was also in a parlous state until very recently, when it was bought by actress Jayne Mansfield and will continue to be used as a town house.