

The City's Greatness at Stake?

Life Magazine told the story of the U. S. City in an editorial in a special December 24th double issue in words which have a familiar sound to students of Henry George.

In a long two-page article in which the city is dramatized with its problems and advantages, there is the challenge as stated, that a "basic reform is essential sooner or later." Cities are advised to make a start now by studying their chief revenue source — the tax on real estate. The social effects of under-taxation of land and improvements, we are told, produce a distortion which is deplorable.

As improvements lead to higher tax assessment, the slum landlords find it profitable to keep their buildings unimproved, on this "overpriced, under-taxed land." As a result the "profit motive is 'harnessed backwards' and given a tax incentive *not* to eradicate slums." Thus we have the all too common case of landlords who permit their property to deteriorate in order to receive lower assessments.

The speculators have also been apprehended by the editorial writers at Life, as being among those who "because of low land taxes, can afford to hold land out of use until the city's growth forces up its price." This produces the "urban sprawl" of which much has been said in the pages of HGN. "Lower taxes (if any) on improvements and higher taxes on idle land would induce a more efficient use of all urban and suburban land," states the article in Life. Mason Gaffney of the University of Wisconsin is quoted as suggesting that this reform "should enable many families to enjoy low-density living much closer into the city and so save the millions of hours wasted driving home past vacant or semi-vacant lots."

How heartily all who have studied this situation will endorse Life's statement that "such land should either be taxed into productive use or seized for parks and greenbelts. The high price of urban and suburban land today in part reflects the artificial scarcity created by undertaxed speculators."

There is more to this subject, of course, much more, and it is well expressed on pages 6 and 7 of Life's double issue. Yes, the city's greatness is at stake.

GEORGE L. COLLINS
HENRY GEORGE SCHOOL
413 SOUTH 10 ST.
PHILA 47. PENNA