

Try Everything Else—Then Try This...

SUBURBAN slums are now feared in the counties nearest to New York City, pressured by the growing population and the push into newer apartments away from the centers of the suburban cities. To prevent these areas from going into "premature deterioration" two alternatives have been suggested: mass transit facilities to and from New York, or an urban renewal program. Help on the costly renewal program would be expected to come from "redevelopment grants," from state and Federal governments, or from a system of "direct taxation."

Meanwhile, alerted by a number of tragic fires, authorities in New York City made some shocking discoveries when visiting the Riverside Drive area where families live in crowded, unhygienic quarters, and have since drafted various bills in an effort to correct the situation. The drive for new low-cost housing continues despite ironical acceptance of the fact that these, too, deteriorate rapidly. Transplanted family groups are not taught how to use the new conveniences and sometimes resort to such curious behavior as ignoring the incinerator while storing garbage in the bathtubs or halls. Advances must be made steadily in several directions if they are to be permanent.

Plans for a new \$21,150,000 Battery Park housing project, if approved by the Board of Estimate, would indeed be a blessing. It would call for three 24-story buildings on what is now a seven-block site with a view of the bay and East River, adjacent to Lower Manhattan's financial district. Monthly rentals, as estimated now, would be only \$54 a room (picture windows, too), and the new dwellings would be ready in three or four years. The land would be acquired by the

city for around \$6,600,000 and would be resold to a private builder for \$2,850,000—the city's share of the loss being \$1,250,000. The Federal government would, of course, contribute the remaining \$2,500,000.

The city's long term debt will reach a record high of \$4,141,783,304 by June 30th, but New York likes everything bigger and better, including its debts. As one means of "finding" extra revenue, it was predicted that the basic real estate tax rate would go up 10 points for the fiscal year beginning July 1st, from \$4.16 to \$4.26 for each \$100 of assessed valuation.

The Mayor does not appear to be worried about the budget but he seems in deadly earnest about his attack on slum landlords. Two bills being introduced at his request would make falsification of information on building registration certificates by landlords or agents a criminal offense, and would make the certificate prima facie evidence of ownership in a legal proceeding.

As proof that municipal authorities are straining for answers, here is a complex insurance plan, also receiving encouragement from the Mayor, designed to crack down on slum owners. It would reduce fire insurance rates for violation-free buildings and raise rates on over-crowded, illegally occupied buildings, and would withdraw fire insurance from buildings that continued in violation of the law. These proposals followed by one day the recommendation of new rulings which would prosecute landlords and raise penalties, allowing the city to act as receiver for slum buildings and use rentals to repair them.

In some ways this resembles a child's game of searching for a thim-

ble, ludicrously played with millions extracted from wage earners' pockets. How can present authorities, if they are truly probing, continue to miss the one method that would clear the slums, deal justly with Simon Legree landlords, and stop this supine reliance on national handouts which the voters pay for in killing taxes? New York is set up so that higher site value could

be levied while taxes on buildings could be removed or greatly reduced. This would immediately discourage speculators and dishonest owners. If some persuasive public figure would only come along and present this simple idea in a popular way, the people might be persuaded to let it work for them to their consternation and betterment.

OMAHA MAY LURE PRIVATE CASH WITH TAX RELIEF

A bill included in Omaha's legislative program proposes a tax exemption plan aimed at attracting private capital to the urban redevelopment field. This would provide that urban renewal projects be taxed only on the value of land included in the redevelopment area for ten years. This value would be the assessment figure for the year prior to its acquisition. During the ensuing 15-year period land and improvements would be taxed at only 50 per cent of assessed value.

Omaha's present law requires an authority to pay in lieu of taxes "a sum equal to the amount received from taxation from such real property during the year immediately preceding the purchase." After lease or sale the property is taxed as usual. Under the proposed plan the redevelopment authority would acquire and clear the land, then lease or sell it to private investors who would have to follow the renewal plan or lose the tax exemption. Usually the Federal Government pays two-thirds of the cost of urban renewal and the other third comes from local sources.

This plan seems to indicate some sort of trend, and it may be a reflection of the work done by Ada E. Shafer, long a Henry George extension director in Omaha. For years she has been writing to legislators, city councilmen and club leaders, sending books and pamphlets by Gilbert M. Tucker, Judge John R. Fuchs, John C. Lincoln, Judge F. A. W. Lucas and others. If the bill goes through it will seem to suggest that, as Mrs. Shafer says, "the heaven is working."

CONSTITUTIONAL RIGHTS VS. PLANNING

The Commonwealth Club in San Francisco, nationally known for its willingness to grapple with important issues, recently assigned a section of its membership to study the merits of a statewide economic planning agency. J. Rupert Mason, president emeritus of the International Union for Land Value Taxation and Free Trade, was one of several members who spoke on this question in the 3-minute period for discussions from the floor.

"The Section's Report would have more effectively defended labor and free enterprise, had it advocated repealing the present taxes which are socializing so much of the fruit of labor and capital, and again making stronger use of the traditional direct, annual ad-valorem land tax, the way Congress often did in 1798-1861, and the way California did until World War I, and our counties, cities, school, irrigation and other political subdivisions of California are still doing, insofar as their budgets are not balanced with state or federal collected income, sales, use, purchase, etc. taxes," Mr. Mason said.

"For 50 years, all the irrigation and some other districts have exempted buildings and all earned wealth from taxes. This has encouraged building and the best use of land in country and city. This was strongly recommended in the debates preceding the adoption of our Constitution in 1789. Those searching for other 'plans' should re-examine the economic guarantees in the California and U. S. Constitutions, the supreme law."