

Housing Emergency —Opportunity

By Gilbert M. Tucker

We are faced with a terrific emergency in the housing shortage and not to answer it may easily open the door to disaster. To this problem, and to the closely linked question of unemployment, the Henry Georgists have the answer. The Chinese symbols for emergency equal danger plus opportunity. Here we find both danger and opportunity.

Demand for housing is practically limitless, and, answering it, employment will be abundant. Millions—we use the word advisedly—of families have "doubled up" and must be unscrambled with the return of the boys from service. Millions of houses, which would have been built in recent years, were not constructed because of war restrictions, and normal demand for new homes and for replacements is set at over a million a year. When these demands are met, there still remains the colossal job of getting rid of slums and displacing old commercial rookeries with modern business housing. The demand will continue for years. It is conservatively estimated that each hour of labor in

contributory industry, and the effect of a building boom would be felt in every walk of life and in every corner of the land.

To have a tremendous activity in building we must make building profitable, and this can be done by shifting all city taxation from building values to site values. It is just common sense to tax the things we don't want—idleness, stagnation, speculation—and to untax the houses which we must have. Give the advantage to those who do something, and not to those who produce nothing, employ no one and house nobody.

For this program there are a hundred solid arguments and not one valid objection which cannot be answered. We will give enormous incentive to building and without bleeding the taxpayers to provide subsidies or pile up debts. Profits to builders will go up while rents go down and home ownership will be furthered. Land speculation will end, realty values will be stabilized and city finances strength-

ened. The landowner will gain, along with all the rest of us, and even the speculator can save himself by building or by selling in a far more active market. The city will recapture the income resulting from public improvements and services and such undertakings can be made not only self-liquidating but often very profitable. Cities will forge ahead and there will be wide opportunity for employment in public undertakings, not at "boondoggling" but on a sound business basis.

This is not a new idea but a tried and successful program. In the housing crisis after the last war New York City decided to exempt housing improvements for ten years. We were in the midst of tight hard money, with one of the great railroads, Chicago, Burlington & Quincy, forced to pay 7 per-

cent interest (guaranteed by Great Northern and Northern Pacific) for funds. Nevertheless, builders found the wherewithal for the greatest building that New York ever saw in any two-year period. And now we have "easy" money at low interest.

The program should be framed with all the emphasis on realty tax reform particularly in the cities, and without complicating the proposal by discussion of any extraneous questions, however important. Price ceilings, rent control, labor restrictions and building codes are all serious problems but, on these questions, there is disagreement in our own ranks and, as Georgists, we had best concentrate on the tax angle. Great changes always come slowly and progressively and we should do one thing at a time, and the reform of urban taxation would, in itself, be a great accomplishment and a very valuable demonstration of principles. I should be delighted to hear from any Georgists who would cooperate in this first step to make our philosophy an actuality or who have any questions to ask.

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