

Economic News

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WHAT KIND OF CITY DO WE WANT?

That is the title of a special report in the April, 1967 issue of *Nation's Cities*, a magazine which goes to almost every city official in the United States. In this issue a very small portion of that report is being reprinted because San Diego is soon going to vote on a general plan. A general plan can do much for a city, or can do nothing to vote on a city. Those who believe in private development know that incentives attract investments, and without incentives investors stay away in droves. So, master plan or no master plan, the development of San Diego is going to depend on whether the profit motive will be to develop or not to develop.

Federal Urban Renewal

Of course, if one is to consider federal urban renewal as a kind or source for development, then the master plan must be voted into effect because without a master plan for the city, federal urban renewal is not possible. That is not to say that federal urban renewal will make the master plan work. In fact the federal urban renewal program has failed miserably in accomplishing its stated goals.

ECONOMICS

It is vital that the citizens, public officials and professional planners understand economics. Without understanding the basic laws that govern rent, interest and wages a person can't begin to understand the need for free enterprise and the profit motive. (please note the last paragraph of the following reprint).

(reprinted from *Nation's Cities*, April 1967)

WHAT KIND OF CITY DO WE WANT?

THIS is the most urgent question facing urban America today.

Everybody is talking about it, writing about it, making speeches about it. But the more they talk and write the greater the confusion about it seems to grow. Much of the talk seems to come from people who don't like cities and just want to get away from them; and too much of the talk comes from people who think the local needs and problems of our cities can only be solved from Washington.

In the hope of bringing some order into all this confusion the National League of Cities joined The American Institute of Architects, the Lincoln Foundation, and the Luce magazines in sponsoring a roundtable conference of 33 experts described by New York's Mayor Lindsay as "The Who's Who of Urban Development". Purpose of the conference was not to seek new ideas and new solutions, but rather to explore how broad an area of expert agreement already exists behind all the seeming confusion.

The roundtable panel represented many different disciplines and many different viewpoints. Perhaps surprisingly, perhaps not so surprisingly, the roundtable revealed a broad area of almost unanimous agreement on almost every urban problem.

No one panelist subscribed to every conclusion and every recommendation in the consensus. Nevertheless, this conference report reflects hundreds of comments and suggestions by the participants during the months which followed the original roundtable discussions. More than an expression of personal opinions and experiences, it

stands as a collective document which attempts to confront honestly the widely diverse elements of the contemporary city.

Our urban problems would be hard enough to solve in a static urban economy with a static urban population, a static racial and social mix, and a static transportation method and system—but our urban economy and population are anything but static. On the contrary, our urban economy, society and technology are all undergoing great simultaneous changes! our urban population is doubling to a projected 1999 level well over 250 million-plus, and before 1999 our urban wealth will at least quadruple, as the average income of twice as many families doubles to a projected \$15,000-a-year-plus-of-today's-purchasing-power. And even now, before these increases, our urban transportation system is already near the breaking point.

So within the next generation, our cities will have to be almost completely rebuilt twice as big and, we hope, at least twice as good. Within a generation we will have to erect and find the money for more new urban homes, business buildings and facilities than we have built in all the years since Jamestown and Plymouth Rock. We will have to replace at least half of all today's urban dwellings because they will no longer be good enough for anyone to want to live in when the average family has sufficient income to qualify for a \$25,000 FHA-financed house. (This means we should build at least half as many new homes to replace decaying housing inside or close in to our cities as we add on the outskirts.) And we will probably have to replace half of today's business and industrial buildings because they will no longer meet the vastly different needs of 1999 business.

In addition, many of our cities will almost certainly have to be restructured to fit some new and radically different means of transportation. High-density cities like New York are finding that the additional facilities needed to bring in just one more car per day during commuter hours will cost \$21,000; low-density cities like Los Angeles are finding the cost, in money, time and space, of relying solely on the automobile equally bad.

Most of today's cities "just grewed" (and often "grewed" too fast) in response to yesterday's different social and economic demands. This is one reason why most central cities are already in deep trouble with problems they have neither the money nor the authority to cure—most of them problems that call for major rebuilding and/or restructuring. They are deep in problems concerned with slums, traffic, parking, sprawl, ugliness, housing; with recreation needs; with air and water pollution; with overtaxation and undertaxation.

They are stuck with far more than their share of the costs created by national problems like education, poverty and segregation. Their municipal costs are climbing twice as fast as their local tax base.

They are choked by obsolete political boundaries that 1) encourage both people and industry to seek tax havens in the suburbs and 2) make coordinated planning difficult and often just plain impossible. They are losing prosperous families and their money to the suburbs almost as fast as they are herding more poor families and their costs into the slums. They are losing blue-collar jobs to the outskirts almost as fast as they can add new white-collar openings downtown. They consume four times as much land as they use. They are stuck with a tax system that penalizes improvements and subsidizes obsolescence, blight, sprawl and the spread of slums, and they are stuck with a concept of landed property that lets landowners capitalize for their own private profit all the economies and advantages of urbanism, so city dwellers must pay twice over for the multibillion-dollar values they themselves create living close together—values they have already paid for once by an enormous investment of both public and private money.

North, south, east and west, big cities and small, new cities and old, all alike suffer in greater or lesser degree from all these problems. High-density cities like New York may have more trouble with congestion; low-density cities like Los Angeles may have more trouble with sprawl, but the latter has congestion at its center and the former has sprawl on its outskirts. The bigger the city, the bigger its problems have seemed to grow; the older the city, the more deeply they are likely to be entrenched. And the former

president of The American Institute of Architects adds a word of urgent warning:

"We cannot remake our cities without solving their painful social problems. As blight, congestion and lack of good-enough schools drive middle-income residents from our urban centers, the poor move in, the gap between the rich and the poor grows, and the suburban noose draws tighter. If the present trend continues, the untrained and undereducated poor will become the dominant population group in almost all our major cities within the next few years. The consequences of allowing our cities to become the poorhouses of America had better be recognized while there is still time to avoid them."

Despite all these troubles and problems, there must be something very good, very compelling and very magnetic about our cities because year in and year out more and more people are flocking to live in or near them. America's whole population growth in the next generation will be concentrated in cities and their suburbs; by the year 2000 they will add something like 150 million more people. Just when our cities seem to be suffering from more troubles than ever before, they are in fact enjoying the greatest urban and suburban boom the world has ever known.

Thus the building and rebuilding of our cities becomes an enormous problem and an enormously exciting challenge—a far greater opportunity than if there were less need to do almost everything over, new and better.

We will spend trillions

To meet this challenge and seize this opportunity, our cities will need all the help they can get—from architects and planners, from the upper-income families who have fled to the suburbs to escape the cities' problems, from the state governments and from the federal government, of course.

The rest can be found only by harnessing the profit motive, much more effectively than now, to urban renewal and urban improvement, and making as much as possible of this enormous enterprise attractive and profitable for the investment of private capital. Private capital will get its money's worth only if we make good planning, good design and good building more profitable than bad. And it will be a lot easier to interest private capital in urban betterment if the local tax system is modified to encourage new construction and better land use, instead of (as now) penalizing improvements and subsidizing blight, slums and sprawl.

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