

copy to Mr. Fawcett

AMERICAN ASSOCIATION FOR SCIENTIFIC TAXATION, Inc.
11 PARK PLACE, NEW YORK CITY

April 12, 1935

To the Editor
New York Herald Tribune
New York City

Dear Sir:

The Problem of Slum Clearance

Tenement House Commissioner Langdon W. Post, in his testimony before Mayor LaGuardia's commission to investigate the recent Harlem riots, put his finger on high land costs as the economic obstacle to slum clearance. Mr. Post finds in the slum conditions in Harlem a cause for the discontent resulting in riots. Mr. Post says the only solution to slum clearance is to reduce "ridiculously high land values."

To clean out the seventeen square miles of slums in our city, Commissioner Post can pay \$3.00 a square foot for land and no more. This amounts to:

- a) \$3 a square foot
- b) \$132,000 an acre
- c) \$84,480,000 a square mile
- d) \$1,436,160,000 for 17 square miles

Harlem slum land owners want \$10.00 a square foot, which would raise the costs to:

- a) \$10 a square foot
- b) \$440,000 an acre
- c) \$281,000,000 a square mile
- d) \$4,787,200,000 for 17 square miles

Out of \$150,000,000 which the New York City Housing Authority proposes to spend for slum clearance, \$56,000,000 will be spent for land--upwards of one-third goes to slum land owners. This ratio for seventeen square miles at Mr. Post's minimum of \$3.00 a square foot for land means approximately \$4,300,000,000 to complete the project. If land owners get \$10.00 a square foot, which they hold out for, it means approximately \$14,400,000,000. The bare statement of the above figures shows the impossibility of accomplishment, without first solving the problem of slum land prices.

Commissioner Post states that slum lands receive from the City three times as much service as they pay for in taxes. The remedy, then, is in the tax office.

The Solution

1. We propose (immediately) a two per cent emergency excise tax on slum lands, to raise \$94,000,000 a year, based on a value of \$10.00 a square foot for slum lands.

2. We propose as an ultimate solution that New York City authorities immediately recommend to the Legislature an amendment to the State Constitution:

- a) Increasing taxes on land values ten per cent a year for ten years,

- b) Decreasing taxes on buildings ten per cent

a year for ten years.

The Results

1. The immediate two per cent tax on slum land values would force a decline in land prices and would permit Commissioner Post to put through Federal slum clearance projects.

2. Under the ten-year proposal, by completely untaxing buildings and taking all the yearly land rental for the City, our citizens could erect as many new buildings and as fine ones as they need and can afford--just as they now manufacture straw hats or any other commodity. The only cost for land would be the land values tax going to the City yearly. No capital expenditure would be needed to buy land.

There is nothing new under the sun. The Dutch government, under Peter Stuyvesant, nearly three hundred years ago, voted a tax of one-fifteenth of their value upon vacant and unimproved lots. The lots were to be appraised "according to the value and situation of the locality." The good burghers had an abhorrence of what they called "stink lots," which is the Dutch synonym for slum lands. Unfortunately, the Dutch method, which would have prevented slums, was abolished by the English system which came with the conquest of 1664.

Yours very truly,

American Association for Scientific Taxation