

# LETTERS—

## Land Values

To The Editor:

People are probing and thinking about the problem of community blight and rehabilitation of property as never before. And inevitably, a principle too long neglected, is being dragged into the light of consideration, that of what is called incentive taxation.

There is little doubt that many, if not most of those displaced in the Mill Creek mass exodus, failed to move, as it was planned for them to move, into public housing projects. Reasonable or not, and regardless of the statistics, new problems were created or old ones intensified in other areas. Fortunately, corrective measures, due to the crises, is being taken to relieve the fear of many who might, in time, willingly occupy these housing projects.

People cause all social problems, mostly through ignorance but also because of unmitigated desire for a fast buck—destructive self-seeking. And people cause slums and blighted areas. But when this is said, it does not usually refer to this ignorance or destructive self-seeking; it refers to people who move to the city from the Ozark hills of Missouri and Arkansas, or from the south where they had no incentive to learn or do better. All will admit that such people might be and often are very destructive of good housing. But any competent social worker knows this can be corrected by proper guidance and that the children of such people can be taught to be superb protectors of property and housekeepers. And all who have been in such areas know many properties were well maintained by owners who occupied them and nice furnishings and competent housekeeping reigned supreme.

And people are beginning to see that the problem is one of more than minimum standard acts of lawmakers and planners, who fall short of seeking out the real fundamentals; who lean too heavily on what is political, not on what is scientific and just—for all time. That these standards have merit, as such, is beyond doubt; but that they are solutions of slum areas in larger areas of blight borders on the ridiculous.

People, at least, have come up against something that has sincere depth and hope. They see that incentives are on backwards, so far as taxation is concerned; that when they save or borrow the money to make improvements they must, by law, be taxed more. They see that the way the big projects are encouraged is to condemn property that is bought at such high prices even the United States Chamber of Commerce has protested. Then they see this property cleared, at tax-payers expense, and the land sold at low prices, at taxpayers expense, to make building possible. Next they see full tax-exemption is given on improvements for ten years and half tax-exemption for 15 years—all right-way incentives. Public housing pays, I believe, an amount equal to what was formerly paid as run-down property taxes. But the minute private industry and private owners do the same thing—wham! the tax collectors is at your door wanting more of your money. The people now see why run-down slum property gets high income, usually due to crowding, and pays little taxes. But most of all they see, as Dr. David J. Pittman, of the Washington University Dept. of Sociology so well pointed out, that because of a warped taxation policy which encourages blight and not anti-blight, the greater danger is that blight infestation will occur in vast areas now needing only rehabilitation.

Out of all this is coming the observation—and it is being flatly declared now—that, to reverse this awful trend, we need to tax the land values more—to discourage land speculation and holding land to no use or to slum-like use; and to untax improving. Both of these are incentive taxation. And, further the more advance thinkers see this applies to all housing—to industrial housing of machines and jobs, of hospitals, hotels, apartments and houses for rents, and the like and that what is good for one kind of production of wealth and services is good for all kinds.

It's time for a true break-thru for individual welfare and freedom from bad taxation. The time for ending exploitative tax-power of a few over the welfare of the people and the country may, at last, be here. Truth in economic science is coming.

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## Insufferable Gouging Of Taxpayers

We culled the following paragraph from one of the area shopping papers:

"The tax system should be changed to raise the assessment on the land and lessen it on improvements. Why should you be taxed more for remodeling your home, adding a room or a garage, while your neighbor pays less taxes as his property deteriorates. It is not fair, it is not just and it is not in the best interests of the community."

It certainly is unjust, and we have been stressing that injustice time and again on this page for several decades. The unearned increment in land profits over the past 20 years runs into billions upon billions of dollars, and the most such land holders paid in taxes on their profits was the maximum 25 per cent capital net gains tax; while a once in a lifetime winner of the capital prize on the Irish Derby, for example, is forced to give 80 per cent or more of his winnings to Uncle Sam.

Even the U.S. Chamber of Commerce deplors this outrage and in a recent news release charged that owners of slum properties have received millions of dollars in windfall profits from urban renewal programs. "Some slum landlords . . . have received 55 per cent over the fair value of their properties," it charged.

This is a plain impost upon necessary rebuilding of our cities and every taxpayer helps to make slum landlords richer and makes urban renewal rentals higher.

As the editorial writer we quoted stated: "It is not in the best interest of the community" and something drastic must be done to eliminate this vicious form of inflation."

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