

demands, and political good sense dictates. But it would also permit locally a *functional centralization* of decisions which the inter-related nature of Federal programs requires.

Reorganizing the Federal Government alone, however, is far from sufficient. If we take a long and careful look at some of the causes of the social ills that plague us it becomes glaringly evident that *no* amount of budgetary resources, however well-organized and skillfully applied, can make up for the perverse effects of some of our most cherished institutions and attitudes.

Let me give a few examples. Both the Federal Government and city governments have struggled for years with the problem of planning urban development. Almost every form of Federal assistance to municipalities is conditioned on some kind of planning requirement—comprehensive plans, functional plans, planning processes, social renewal plans, workable programs, and so on down the litany. But, all too often, the plans are more breached than observed. Local communities design “Year 2000” plans for an aesthetically pleasing and economically efficient city. And almost at once the inevitable zoning changes tear the plan to pieces. In large part this occurs because the system of rewards and penalties at work in connection with urban investment is not merely neutral to but runs precisely counter to the goals and objectives of the plan.

Investment in physical improvements to property tends to earn a normal rate of return and is taxed at regular income tax rates. But investment in land speculation is realized as a capital gain and taxed at one-half or less the normal rate. Small wonder that investment is attracted into land speculation rather than physical improvements, and that land developers often press for zoning changes to allow the highest possible density, and the largest possible capital gains. Why invest funds in improving decaying downtown property? The return on investing in improvements is subject to the normal tax rate. But by investing in property simply to hold on for future price increases, I can take my return in the form of capital gains at a favorable tax rate, and very often, depreciate an old building several times over in the process. The whole system of rewards and penalties, which heavily favors land speculation as compared to physical improvements, is perhaps the greatest single promoter of urban blight. Pouring tax money into urban renewal, to rectify what Federal, State and local tax laws have created, scarcely strikes me as a profitable enterprise. Indeed nothing would be more effective in arresting urban decay and suburban sprawl than taking the profit out of promoting them. Yet I pity the mayor, the Governor, or the President who turns his hand to this problem. His will be a most harrowing experience.

The list of painful changes we shall have to face up to, if we really mean what we say about social justice and equal opportunity is a long one. Federal programs which train inner city Negroes in one or another skill will yield little but bitterness if apprenticeship restrictions or closed crafts keep them from a job. Subsidized housing projects for low and middle income families are a vital Federal program. But they cannot be confined to central cities only—suburban communities which reject them are simply stoking the fires of unrest. It is easy to understand why suburban communities fear the growth of metropolitan-wide governments. Why add to the tax load of suburbia to make up for the low tax base of the impoverished central city? Yet it is the flight to the suburbs of the past several decades and the tax problems it created, which is helping to strangle the governments of our big cities. And whether they continue to strangle will depend at least as much on the help they get from surrounding suburban communities as on any programs of assistance the Federal Government can mount.

There is no question but that as a Nation we have the ability to cure the ills which plague us—the rising discontent of the poor, the slow strangulation of the city, the accelerating pollution of our environment. We have the economic resources, the technical skills, the political ingenuity. Preeminently among all the societies which have ever existed, we have these. Our *capacity* is not at issue. It is our *will* which is in question. Steadily growing abundance will *not* automatically be diverted toward the needed social investment. As voters and taxpayers we must act to divert it. And even if diverted toward urgent public ends, abundance alone will not suffice. It must be joined by changes in social institutions and governmental organizations, and by the dismantling of the private barriers which we have erected against the black and the poor. These will not be easy actions. Immensely difficult problems will not be solved by easy means. But when were they ever?

And if these times call for a painful act of will on the part of those who have the affluence and wield the power, they also call for an equally disciplined act of will on the part of those who are demanding social changes. That act of will