

ARE BIG CITY DOWNTOWNS ON THE WAY BACK WITH TAXPAYER ASSISTANCE?

It was easier to leave their properties in their current states of disrepair or in parking lots which sometimes took up to 1/3 of the downtown areas, and had particularly low tax burdens.

The logical way to revive downtown areas all over the country might seem to be the removal of all taxes on buildings, and increase taxes on land to equate with the value of community-created services. But that would require free enterprise to operate unassisted by government—and that is not the American way. Instead, the Riordans and other downtown property owners push for governmental aid. They argue that since the suburbs benefited so much by construction of highways, often with federal billions and other Fed fiscal handouts, it is only just that the Feds finance highways, construction loans, and tax privileges to bring back business from these suburban malls, now lurking at the outskirts of the cities. •••••

This Federal subsidization of local transportation agencies has, of course, led to extraordinary graft and corruption. The Los Angeles Metropolitan transit authority has been pointed out as a particular source of that corruption and malfeasance and as an example of Federalism gone bad. However, Boston's Big Ditch is just as outrageous. As to the MTA, Councilman Allatore, Los Angeles' delegate on the MTA, was exposed as having been compelled to accept valuable gifts from businessmen doing business with the MTA, but that was only because he needed that cash and other favors to pay for his cocaine habit (shades of Washington DC's Marion Barry).

But there are other ways to revitalize urban downtown areas without placing any financial burden on the lucky landowners.

One way is to put the entire area in Urban Redevelopment—a swindle which Dwight Eisenhower once described as "the

rich man's socialized housing." The whole of downtown Los Angeles (over half of which is owned by foreign corporations) is in a community redevelopment area. That means that the City of Los Angeles, County of Los Angeles, local schools and other districts receive nothing, zilch, from the funds stemming from increases in land values within the district, and all such tax increments are spent within the district..

Despite the small fortune accumulated by Mayor Riordan in Downtown land speculation, in the past half century, there has been a concerted shift of business from the time honored big city downtown areas to the suburbs, where land is cheaper and taxes less oppressive. Individual downtown land owners had no incentive to rebuild their own properties, as their taxes would greatly increase, and then the building would be too good for the surrounding property. •••••