

onstrated thirty years ago in *Economics of Imperfect Competition*, this means a scale of prices appreciably higher than that which would prevail under competition, and this in turn means not only a greater concentration of income and wealth but also smaller total production and fewer persons employed.

Monopoly and imperfect competition are, to my mind, the chief cause for the persistence in this country of excessively high levels of unemployment. For, since the sum total of price tags on goods that could be produced under full employment exceeds the sum total of monetary purchasing power in the pockets of consumers, and since the dominant forces in the market place refuse to lower prices, the result is unemployment and idle plants. The recent tax cut had as its basic premise the addition of further units of monetary purchasing power to pump consumer demand up to the level of the relatively fixed prices.

This is better than nothing, but the urgent need is for a much greater degree of competition, which would lower prices and bring more goods within the reach of consumers. Indeed, it could be the best antipoverty measure. Kefauver saw this clearly and properly stressed its importance. But it must be confessed that, like others, he was not too helpful in suggesting how it might be effected. The Senator properly pointed out the comparative ineffectiveness of governmental regulation and instead placed his faith in publicity and more accurate information.

AS Professor H. M. Gray of the University of Illinois has graphically shown, probably the very least that government can do is not to encourage monopoly. Should it not, for example, revise its patent laws and its requirement barring entrance into many fields of economic activity save on proof of "convenience and necessity"? Perhaps some consideration should be given to the suggestion made by Fred Raymond in *The Limitist*, namely, that the size of concerns producing more or less identical products be held down to "x" number of employees. This would retain the benefits of large-scale production inside the factory as well as the advantages flowing from vertical integration. It would place some limitation, however, on horizontal combinations of substantially similar plants. There is a great deal of evidence to indicate that this would actually increase economic efficiency.

Senator Kefauver may not have given us the full prescription, but he was supremely right in his diagnosis, and he worked himself to death in his efforts to reduce the evil. We need others who will assume the heavy burden that he was prematurely compelled to lay down.

Slum Salvage or City Sacrifice?

***The Federal Bulldozer: A Critical Analysis of Urban Renewal, 1949-1962*, by Martin Anderson (MIT. 272 pp. \$5.95), advocates the repeal of the controversial program to demolish city slums. C. W. Griffin, Jr., an engineer-journalist, is currently writing a book entitled "Frontier Freedoms and Space-Age Cities," to be published by Pitman.**

By C. W. GRIFFIN, JR.

SQUEEZED by suburbs whose local governments ignore area-wide problems, flooded with commuters' air-fouling automobiles, and burdened with rising welfare expenditures for migrant minorities, our central cities suffer the severest problems of postwar population growth. To stimulate the rebuilding of decaying urban cores, through a combination of public and private enterprise, Congress enacted the urban renewal program. Federal and local governments cooperatively finance the acquisition and demolition of slums and sell the cleared land to private developers, who follow a plan drawn by the local renewal agency. Apartments, office towers, industrial plants, even culture centers are rising on urban renewal sites all over the country.

After fifteen years of urban renewal, attacks against it are mounting from all directions. From a conventional liberal viewpoint urban renewal has made the right enemies: farm-state Congressmen who fear that urban renewal may subvert the spirit of free enterprise in cities whose treasuries they gleefully drain to support the \$7.7 billion federal agricultural program, Right-wing crackpots who smell moral decay in every federal undertaking, and the U.S. Chamber of Commerce. It is interesting, however, to note that the vast majority of local chambers support urban renewal and denounce the national organization's opposition. And, by another apparent paradox, the program's opponents include civil rights leaders, who protest the uprooting of minorities to make way for luxury apartments and accuse government officials of merely shifting slums from one area to another.

This view gets solid support from *The Federal Bulldozer*, a scholarly but devastating attack that, through wide publicity in the nation's business jour-

nals, has temporarily made its young author the focus of the controversy. To the cool, calculating eyes of Martin Anderson, a twenty-eight-year-old Columbia University finance professor, urban renewal appears faulty in principle as well as execution. Resoundingly echoed by conservative admirers, and as resoundingly denounced by government officials, Anderson advocates repeal of the urban renewal program.

To show how urban renewal hurts those it is supposed to help, Anderson cites the relocation problem. Of the persons who must be rehoused after the clearance of urban renewal sites two-thirds are Negroes or Puerto Ricans, a fact that prompts civil rights leaders to call the program "Negro removal." Private studies indicate that the displaced slum-dwellers generally move to other slums, for which they pay higher rents. In contrast, the federal government reports that 80 per cent of 153,000 relocated families have moved into standard housing.

THIS clash between the grim private view and the euphoric federal view of relocation springs from the shifting definition of "standard" housing. Since local officials make the decision, a city may apply high standards to housing it wants to demolish for an urban renewal project and then apply lower standards to other dwellings to justify quick relocation of the displaced persons. Thus the federal claim dissolves into semantic legerdemain. Moreover, the Urban Renewal Administration opposes the Comptroller General's recent proposal to require a consistent criterion for judging "standard" housing.

As further evidence that urban renewal aggravates the displaced slum-dwellers' plight, Anderson cites the shrinking supply of low-income housing and consequent rent rises caused by urban renewal. As of March 31, 1961, renewal agencies had demolished 126,000 low-rent dwelling units, including 25,000 standard units, and replaced them with 28,000 units, most of which were priced too high for low-income families. Of the total construction on urban renewal sites only 6 per cent was public housing designed for low-income families.

Despite the demonstrated need for reform, I remain unconvinced that urban renewal is beyond redemption. For one thing, Anderson disregards what I

consider accomplishments. The federal urban renewal laws have goaded hundreds of cities into enacting housing code ordinances, which provide some protection for slum-dwellers exploited by slumlords. And by Anderson's own statistics, urban renewal has helped stimulate the rebuilding of the central cities, thus limiting the reckless consumption of natural open space as metropolises spread over the countryside.

Moreover, Anderson has totally ignored a likelier target in this attack on the federal bulldozer. The federally financed interstate-highway program has forced the relocation of nearly as many

persons as urban renewal, without replacing any demolished housing and, unlike urban renewal, without requiring relocation payments to the displaced. Urban freeways mutilate neighborhoods, permanently remove thousands of acres from city tax rolls, undermine mass transit patronage, and thereby help to create the spreading, monumental traffic jams that pollute the air with poisonous exhausts. Into this urban-freeway program the federal government has poured upwards of \$20 billion, at least five times the total federal funds committed for urban renewal. To me the deficiencies of urban renewal appear comparatively slight.

The Rich, Respectable Racketeers

Gamblers' Money: The New Force in American Life, by Wallace Turner (Houghton Mifflin. 306 pp. \$5.95), warns of the corruptive effect of legalized gambling on the entire U.S. economy. Fred J. Cook is author of "A Two-Dollar Bet Means Murder" and "The FBI Nobody Knows."

By FRED J. COOK

THE LATIN AMERICAN diplomat was flying home, his hand clutching the handle of a fat briefcase. During the entire flight he never relaxed his grip. When he landed, a cab sped him directly to a bank owned by his family, and there, in an inner office, the briefcase was opened and a cascade of greenbacks poured out. The money was sorted, counted, placed in a numbered account to conceal its owner's identity, and the diplomatic courier was given a receipt which, when he returned to the United States, he would send by registered mail to a man living in Las Vegas.

This, says Wallace Turner, Pulitzer Prize-winning reporter of *The New York Times*, is just one device by which "black money" from the gambling tables of Las Vegas is cleaned up and made respectable. "Black money" is the booty that is skimmed off the top of casino winnings and never appears in the listed revenues—so that no tax is ever paid on it. Just how much of it there is, no one knows; but the best-informed sources agree that it probably amounts to millions of dollars, which go into the pockets of the underworld crooks who dominate much of Nevada's legal gambling. It represents an enormous, corruptive force exerting an insidious leverage on the entire American economy.

Wallace Turner's preoccupation in this book is with the deals, the purchased influence, the intricate swindles that such tainted money makes possible. He explains that the money spirited out of the country under the cloak of a courier's diplomatic immunity would not remain long in the Latin American bank. It would return in a "blizzard of paper" that would make it all look legitimate. Perhaps the man in Las Vegas had plans for a fancy new motel. Mortgage papers would be drawn up, a "loan" arranged, a meticulously constructed trail laid, so that the swindled money could come back looking as clean as an honest businessman's hard-earned dollars.

TURNER knows intimately the gambling rackets about which he writes. In the past few years he has investigated for *The Times* the rackets of Las Vegas and Hot Springs, Arkansas. He has interviewed the emperors of the Cleveland mob controlling Las Vegas's Desert Inn; he has talked to their hired help, their lawyers, Internal Revenue agents, state and federal officials. His research is solid, his conclusions fully warranted.

"To use an old-time phrase that has gone out of style," he writes, "these men who cheat on their gambling profits are crooks. Anything they touch will be soiled by their unethical business attitudes and infected with the virus of their antisocial behavior. These are the men for whom the great wealth generated by the gambling tables has supplied a new force in the American economy."

What Nevada has done in its legalized gambling experiment is to give some of the worst thugs and crooks of our time status as law-abiding, distinguished citizens. Turner shows various uses to which they have put their immunity. He probes deeply into the colossal Wall Street

swindles engineered by Alexander L. Guterman in collaboration with members of the Desert Inn crowd, and he explodes the comfortable and widely accepted assumption that no one except the gamblers got badly hurt. After all, Guterman and his Desert Inn cohorts peddled perhaps as much as \$8 million of worthless stock to the American public—and then cleared out with their winnings. As Turner says, the story constituted "as clear a warning to the American people as any that could be given of the great danger inherent in open, casino gambling on the Las Vegas pattern."

Turner concludes that when gamblers are sheltered by the law, as they are in Nevada, "the morals and ethics of the gamblers become a part of the accepted pattern of life . . . Nevada may be able to live with the situation that it has created . . . But the rest of the nation is not able to endure it . . ."

This is a solid, significant book. New Yorkers who are now being propagandized to vote for greater legalization of gambling might read it with profit. Almost inevitably, *Gamblers' Money* will be compared by many to last year's best-seller, Ed Reid and Ovid Demaris's *The Green Felt Jungle*, and it will suffer to some extent from the comparison. Turner is concerned less with the vivid personalities, the sexual aberrations, and the gaudy murders that fascinated Reid and Demaris, and more with the mob's use of tax dodges, its unorthodox forays into Wall Street, its wangling of public funds to finance its own pet projects. In other words, Turner's subject matter is duller, more intricate, and more important.



Wallace Turner—"black money" is cleaned up.