

BOOK REVIEWS

LAND SPECULATION AND PREMATURE SUBDIVISION

"Premature Land Subdivision a Luxury." A 60 page Report prepared by the New Jersey State Planning Board, Trenton, N. J. 1941. 50c.

For those who would know more about premature land development as a factor in municipal finance problems it is recommended that a careful reading be made of the above entitled study. The report is well documented and admirably complements and corroborates the more theoretic findings and conclusions to be found in "Progress and Poverty." It brings us face to face with the housing evils that result from the unscientific system of land tenure now in practice. A regrettable omission is that of any recommendation along the lines proposed by Henry George, but then, after all, perhaps only a Georgeist can really "see through" the lop-sided city "planning" that now obtains. Nevertheless, it is only fair to say that the compilers have done a conscientious job in disclosing the ugliness of our housing system. Even their recommendations are good, so far as they go.

Premature land subdivision is a natural concomitant of our present revenue policy, which unconsciously abets the speculative development of sites in areas not economically fit or ready for urban population. The consequent costly municipal servicing of such sparsely settled and distant points, with highways, sanitary and water systems, lighting, schools, etc., must invariably be followed by a vicious circle of higher taxes, special assessments, increased public debt, and bankruptcy.

"Like unemployed people, these unemployed vacant lots become public charges when private sources of support dry up. Not only do they cease to pay their share of governmental costs, shifting the burden to properties which are still paying taxes, but in addition, their debts, in the form of unpaid special assessments, must be shouldered by the municipality. Thus many municipalities throughout the State, already acutely conscious of the high cost of unemployed people, are becoming aware of the high cost of unemployed lots."

"These arrears mount to their greatest heights during depressions, when the reduced incomes of property owners generally are strained to the limit to meet normal taxes and their own fixed charges. Consequently these added burdens can be met in some cases only by the sacrifice of the essentials of life by people who had no part in the speculative ventures, and who could have reaped no benefits from them had they been successful, but who must nevertheless assume the costs entailed on pain of losing their own homes and places of business."

"Prematurely subdivided lands in New Jersey are sufficient to supply over a million 50x120 foot vacant lots, one for every family now resident in the State. Sample studies in nine suburban municipalities show that 45 per cent of all vacant lots in those areas have been tax-delinquent for more than one year, most of them for more than five years. Assuming, on the basis of previous studies, that similar conditions are general wherever there is a large surplus of subdivided land, it is estimated that at least 40 per cent of all vacant lots in the State are chronically tax-delinquent."

"Further evidence of the vulnerability to financial collapse of municipalities suffering from excessive land plotting . . . reveals that 12.4% of New Jersey's municipalities are under state fiscal control." (I. e., under authority of a Municipal Finance Commission or Local Government Board, fiscal agencies created by the State to take over tottering communities).

An enlightening disclosure brought out in the report is the liability, in many cases, of a town to pay to the County, State, and School Districts a tax based on its own inflated valuation of lots platted from old farm and other rural types of land, which formerly as mere

acreage bore no such fiscal burden. Despite the non-payment of taxes on these lots by the "real estate" developers, who have long since abandoned them, in many cases they are assessed on the town's tax rolls at as much as \$30 a lot, whereas in fact they are entirely worthless. The actual taxpayers of the community must of course pay for this folly.

A large part of the report deals with the difficult and, in many instances, hopeless task of collecting tax arrearages.

"Of the eight selected municipalities studied in detail, only six made sales of (tax) foreclosed and deeded properties in 1938 . . . None received prices even approaching the accumulated taxes and other municipal charges. Three of them collected about two-thirds of their lost revenue, one about a half, one about a third, one only seven per cent. It is impossible to judge how typical these 1938 sales are of the amount that might be recouped over a period of years by these or by other municipalities. But this and other scattered evidence seems to support the conclusions that few municipalities have recouped or will ever recoup any considerable portion of their lost revenue by sale or foreclosed or deeded properties."

A rather remarkable phenomenon in the maze of contradictions resulting from our present social setup is the tendency of smart towns to discourage the construction of modest price dwellings.

"In Teaneck, for instance, the intended use of land is carefully investigated. Houses of less than \$5,000 or \$6,000 value are not considered municipal assets because of the low tax return in relation to the probable cost of municipal services to be rendered."

It is indeed a peculiar state of affairs in which low level income parents are not encouraged to own houses in such places, since the cost to the town of providing education for their children is said to exceed the amount of real estate taxes collectible from the property they occupy. This will amuse Georgeists, who know that, with all taxes abolished except a single tax on land values, communities would develop in keeping with natural trends and needs of population, being automatically removed from the problems which plague society today.

In concluding our review and comment of this very able study of urban planning, we have purposely refrained from dwelling upon the various recommendations of the authors, for the reason that they are more ameliorative than curative. To be sure, the compilers have done their work honestly and with exceeding care, to the extent that it has been given to them to understand the problem. By the same token we can well afford to cooperate in any endeavor that has for its object the clearance of slums and establishment of better living quarters for all. Georgeists must be ever ready to submit their views to our modern government housing agencies.

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A WARNING FROM ANDRE MAUROIS

"Tragedie en France," by Andre Maurois. Collection "Voix de France," Maison Francaise, New York. 229 pp. \$1.50.

The Collection "Voix de France" presents works by expatriate French authors now residing in the United States since the fall of France. The present volume by Andre Maurois is the first of the series. In "Tragedie en France," Maurois—one of France's most distinguished writers, if not the most distinguished—presents his version of the great tragedy.

Maurois concentrates on the political and military deficiencies of his country, and offers a timely warning to the remaining democracies to act swiftly and strongly. But throughout his excellent survey, we can sense another warning—not to abandon the principles of Liberty. We are reminded of Henry George's words: "We speak of Liberty as one thing, and of virtue, wealth, knowledge, invention, national strength and national independence as other things. But, of all these, Liberty is the source, the mother, the necessary condition."