

Noah D. Alper's *Brief Cases*

A CURB ON SPECULATION

People who think Henry George is having no influence should remember that ten years ago discussions like those frequently reported in *House & Home* magazine regarding land prices, were very rare.

Edward Eichler, a builder, gave some surprising testimony before a congressional committee when he charged that by making taxes and interest tax-deductible and allowing capital gains on sales of raw land, the federal government had invited speculation. He was among the first to get a statewide political group to back a plan permitting localities to hike taxes on land and cut taxes on improvements.

"Suburban officials in New York and California seem to be getting the message that bargain basement assessments on raw land inflate housing prices in the end," reports *House & Home*. "One Florida land dealer got a rougher message: a widely advertised land auction flopped."

The same magazine stated in its April issue that at opposite ends of the nation, local and state political rows are developing over taxation of land and its assessment.

The California Democratic Council, calling itself the largest grassroot political organization in the nation, has endorsed a proposed state constitutional amendment to let cities put "a higher assessment on non-agricultural land value and a lower assessment on improvements on the land" . . . to encourage good construction and repair and to make long-term raw land holding for speculation unprofitable.

THE PRESIDENT'S OMISSION

President Johnson touched the button that opened construction of the Cross-Florida Barge Canal, to cost \$158 million dollars, and said the canal would "start new and permanent economic growth . . . and open up new recreation areas as well."

What he did not say is that this canal, if it is really worthwhile will add rental value of land which, if collected for public use, would pay, and more than pay, the huge cost of the canal. Talk about tax loopholes? What of the Rent-of-land, Mr. President?

GREAT IMPROVEMENTS — THEN WHAT?

The world's longest highway crossing over salt water opened April 15th. This complex of three bridges and two tunnels, running 17.6 miles over and under the lower Chesapeake Bay in Virginia, replaces a ferry that was a bottleneck which many motorists avoided by taking round-about detours. The Chesapeake Bay Bridge-Tunnel is expected to handle 5,000 cars daily in its first year, as compared with 2,000 carried on the ferry. The prediction made in *U. S. News & World Report*, based on common observations, was that land values resulting from the boom would rapidly become speculative for old as well as new holders, and that these values would in time double or triple the cost of the improvements that stimulated them.

LAND GOES UP FASTER

Plain and simple figures in a *St. Louis Post-Dispatch* item show that the average 1962 home buyer using an FHA-insured mortgage paid \$15,169 for a home on a lot costing \$2,715 (17 per cent of purchase price), as against a 1952 average of \$11,077 for a home on a lot costing \$1,227 (11 per cent of purchase price).