

Bomb Scare Boosts Land Sales

By WAYNE S. BERRY

ON a recent business trip to the northwestern part of Connecticut I had an interesting conversation with the mayor of a small town. The town has a population of approximately one thousand and is located about one hundred miles from New York City.

During the conversation I found out that the mayor also held a couple of other positions of influence in the town. He is chief tax assessor and justice of the peace, and he receives no remuneration whatever for any of his civic duties. His source of income is his factory.

Naturally I asked him how he assessed the property in his town for tax purposes. He said he thought his method was the same as that used in most communities — the buildings and lots were assessed and the owners were taxed on the basis of the total amount.

Instead of giving him what I know to be the right answer, I asked him if he was able to keep up with the new improvements the owners made. He assured me that he himself drove completely around the town each year to check on the property owners and see what improvements had been made during the year. He further remarked that if he noticed the home owner had planted some new shrubbery in his yard he increased his assessment and of course increased his taxes the next year.

I said to him, "you should be ashamed of yourself for penalizing your good citizens when they are helping to beautify your community."

He looked rather startled and replied, "we have to have money to run the town."

I told him there was a better way to collect money. He wanted to know what it was—and during the next ten or fifteen minutes I gave him a very short outline of Henry George's philosophy. He indicated his interest and I suggested the Henry George School as a source which could supply additional information.

As our conversation tapered off I remarked how the George method of taxation would prevent speculation in land. He was now even more earnestly impressed than before, and told me of some rather curious cases where wealthy people from New York had come to his town over a period of several years and bought homes. Their reason for coming was not business or pleasure; they were looking for a place in the country in case of a war and the anticipated bombing of New York.

These people had plenty of money and when they found a house they liked, even if the owner didn't care to sell, they could offer three or four times what the normal selling price would be. In all cases the owners then rapidly changed their minds and decided to sell. In one instance an offer of 25 thousand dollars was made for a house formerly priced at 7 or 8 thousand.

After the first two or three of these sales, all property owners became land speculators. Now when a new resident comes to work in his factory, the mayor said, even ten thousand dollars will not buy him a house and lot—owners all want 20, or even 30, thousand dollars. Everyone expects more rich New Yorkers to come up next summer and pay the high prices. The normal real estate business in this little town has been strangled as a result. No doubt this situation prevails in similarly situated communities.

When the atom-shy New Yorkers come to buy a house they have no intention of living in it even for the summer. It is merely a safety measure in case of war. When I told the mayor he could stop this land speculation by adopting the land value taxation system, he began to see a little light.

I hope he becomes convinced that there is a way out of this hideous situation so he can enlighten his fellow citizens. If the seed of wisdom takes root in this one New England town, then at least *some* good will have been accomplished by the threat of the atom bomb.